

**FAIR HOUSING ISSUES IN THE GULF  
COAST IN THE AFTERMATH OF  
HURRICANES KATRINA AND RITA**

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**HEARING  
BEFORE THE  
SUBCOMMITTEE ON  
HOUSING AND COMMUNITY OPPORTUNITY  
OF THE  
COMMITTEE ON FINANCIAL SERVICES  
U.S. HOUSE OF REPRESENTATIVES  
ONE HUNDRED NINTH CONGRESS  
SECOND SESSION**

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**FEBRUARY 28, 2006**

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## C O N T E N T S

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	Page
Hearing held on:	
February 28, 2006 .....	1
Appendix:	
February 28, 2006 .....	45

### WITNESSES

TUESDAY, FEBRUARY 28, 2006

Johnson, Derrick, President, Mississippi State Conference, NAACP, Jackson, MS .....	19
Kendrick, Honorable Kim, Assistant Secretary for Fair Housing and Equal Opportunity, U.S. Department of Housing and Urban Development .....	6
Murguia, Janet, President and CEO, National Council of La Raza .....	22
Perry, James, Executive Director, Greater New Orleans Fair Housing Action Center, Baton Rouge, LA .....	24
Rich, Joseph D., Project Director of the Housing and Community Development Project, Lawyers' Committee for Civil Rights Under Law .....	26
Smith, Shanna L., President and CEO, National Fair Housing Alliance .....	28

### APPENDIX

Prepared statements:	
Oxley, Hon. Michael G. ....	46
Ney, Hon. Robert .....	47
Johnson, Derrick .....	48
Kendrick, Hon. Kim .....	54
Murguia, Janet .....	59
Perry, James .....	66
Rich, Joseph D. ....	101
Smith, Shanna L. ....	113

### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

Statement of the National Fair Housing Alliance .....	123
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## **FAIR HOUSING ISSUES IN THE GULF COAST IN THE AFTERMATH OF HURRICANES KATRINA AND RITA**

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**Tuesday, February 28, 2006**

U.S. HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON HOUSING AND  
COMMUNITY OPPORTUNITY,  
COMMITTEE ON FINANCIAL SERVICES,  
*Washington, D.C.*

The subcommittee met, pursuant to notice, at 11:00 a.m., in room 2128, Rayburn House Office Building, Hon. Robert W. Ney [chairman of the subcommittee] presiding.

Present: Representatives Ney, Pearce, Campbell, Waters, Lee, Green, and Frank.

Chairman NEY. The Housing Subcommittee meets this morning to discuss recent fair housing issues in the Gulf Coast related to Hurricanes Katrina and Rita. The events surrounding the late August and early September hurricanes in Louisiana, Mississippi, and Texas have certainly captured the attention of the American people, including this committee. Our subcommittee was the first committee of the House to go to New Orleans. We went in January, and then after that the Katrina Subcommittee went.

I just got a notice that the Speaker of the House, Mr. Hastert, and the Minority Leader, Nancy Pelosi, are both going down on March 2nd; I believe it is for 2 days. We had written them a letter—I know Chairman Oxley also did—encouraging both of them to get together and go down to the Gulf; and they are going to do that, as I understand it, for 2 days this week, which I think is good.

The Housing Subcommittee and Financial Services Committee have been at the forefront of the hurricane relief effort with numerous hearings and multiple briefings with approximately 80 witnesses participating. Again, in mid-January, this Housing Subcommittee held the first post-hurricane congressional hearings in Louisiana and Mississippi, reviewing the housing issues that the Federal Government will need to consider in the next few years.

I also note that when we had those hearings the members' participation was unbelievable—I think 5 hours in 1 day, 6 hours the next day—and they gave full time and attention. I am very proud of the members of this committee for doing that because it is an extremely important issue to the many people whose lives have been horrifically disrupted down in the Gulf.

In addition, this committee has shepherded needed relief legislation to the House Floor in the recent months following the disaster that will affect not only families in the immediate hurricane-ravaged areas but those families forced to suffer the aftermath due to flooding. As the thousands of hurricane evacuees in the Gulf Coast begin the process of looking for permanent housing, the Federal Government must do everything in its power to protect the rights of households to obtain the housing of their choice.

The January 13th and 14th field experiences in the Gulf underscored some experiences and practices that could violate the Fair Housing Act. I look forward to working with HUD and other relevant enforcement agencies to ensure that these families have equal access to the housing opportunities that they need to rebuild their lives.

It is my hope that today's hearing will give the members of this subcommittee a unique perspective on fair housing issues and on what steps HUD and individual groups can take to ensure that the relocation of these evacuees is fair and also legal.

Fair housing and enforcement work best when people know their rights. To the extent that this committee can highlight patterns and practices that impede fairness and equal access to housing, government, private, and nonprivate sectors will be encouraged to adequately inform, monitor, and correct violations and to enforce the current law.

Again, I want to thank our ranking member, Maxine Waters of California, for her participation down in the Gulf, also, Mr. Frank, our ranking member for the committee and Chairman Oxley. I also would like to welcome a new member, too, today, Mr. Campbell of California to the committee.

With that, I will refer to the gentlelady from California.

Ms. LEE. Thank you very much, Mr. Chairman.

Mr. Chairman, let me thank you and our ranking member for organizing this very important hearing on fair housing and also for your leadership and Congresswoman Waters' leadership in leading the first congressional field hearing in the Gulf Coast after the hurricanes. That was such an important 2 days, Mr. Chairman. I think we learned quite a bit, and I believe this hearing is an important step in the correct direction.

During the field hearings in New Orleans and Gulfport, we were really all quite outraged to hear stories of blatant discrimination in housing in the aftermath of Hurricane Katrina. So I am pleased again that, under your leadership, we are seeking to investigate these Fair Housing Act violations as many of us, including myself, have requested.

Housing, quite frankly, should be a basic human right. Any kind of discrimination that denies or hinders someone's ability to access that right is just plain wrong, and it should be prosecuted under the law.

While we are here primarily to discuss discrimination in the provision of housing, we cannot ignore the ongoing discrimination in the financing of housing or the provision of brokerage services that also falls under the fair housing statute. We also cannot ignore the need for more funding to investigate cases of discrimination and to enforce the Fair Housing Act.

Let's be for real. Over 300,000 homes were damaged or destroyed by Hurricane Katrina and over a million people were displaced. We have a huge housing shortfall right now in the Gulf Coast. We have numerous reports and we heard this during the hearing of price gouging and illegal evictions taking place.

We need more money not only to house people but to ensure that they are not discriminated against, and I believe in the Baker bill and also in our Congressional Black Caucus bill we adopted an amendment which I wrote, and that would be to increase the number of housing discrimination advocates and complaint officers and to hire people who are from the region to really work with HUD's regional offices to enforce fair housing laws.

That amendment, unfortunately, is stuck now. Increase in funding for fair housing compliance has not been moved forward. So I hope that we can figure out how, in a bipartisan way, to move some of these fair housing laws forward.

On top of all of that, we have a GAO report from last October that documents many glaring problems with HUD's response and investigation of fair housing complaints.

Despite these problems, the Administration has proposed a fair housing budget of just \$45 million for fiscal year 2007. That is \$1 million less than last year—\$1 million less. That is just totally inadequate; and it shows once again, quite frankly, that this Administration is really out of touch.

So, Mr. Chairman, I hope we can work together to strengthen the fair housing program, to encourage HUD to adopt the GAO recommendations, to provide a substantial increase in funding for testing and the enforcement of the Fair Housing Act, and to employ folks who have been traumatized and displaced by Hurricane Katrina to be our fair housing applicants and compliance officers so that they, too, can not only benefit from the employment opportunities that resulted from this disaster, but also make sure that housing discrimination does not exist in the Gulf region.

So thank you again for holding this hearing, and I look forward to the testimony of our witnesses.

Chairman NEY. Thank you.

Mr. Frank.

Mr. FRANK. Thank you, Mr. Chairman, and I very much appreciate your holding this hearing.

People were horrified by what they saw during the height of the Katrina disaster. I don't think I can remember such a sense of outrage and frustration on the part of many Americans to see their fellow citizens marooned in such terrible circumstances, in the middle of the United States. People didn't think that with our technology, you could have people in a major American city worse off than the survivors of a boat crash on Gilligan's Island, equally out of reach of any help. But there was at least the hope that this would be temporary and that, as time went on, we would alleviate the situation. Sadly, that has not been the case nearly as much as it should be.

We have a situation where those victims of Katrina, in very large numbers, have been revictimized by the policies and the absence of policies of this government. And I want to repeat what I said. That was, I understand, provocative and it was meant to be, because we

need to call attention to this. I am, in fact, troubled that there are so few of us here today hearing this situation.

To date, the policy of the United States Government with regard to New Orleans appears to me to be a policy of ethnic cleansing by inaction.

Now I am not talking about genocide. I am not talking about people being killed. I am talking about a population being displaced and replaced by a population of a different ethnicity, and that is what we face in New Orleans if we continue the current course. If we fail to put a good deal more than we have into reconstructing housing for the people of New Orleans, similar to what there was before in its economic structure—yes, we want it to be physically improved. We want it to be more resistant to floods. We want it not to be in areas that are particularly vulnerable. But it is certainly within our capacity as a country to make sure that New Orleans does not become—let's be very clear—a richer, whiter city as a result of a natural disaster. But I am afraid we are on the way to that.

Part of that goes beyond the scope of this hearing, because we are talking about providing the revenues that are necessary to replace housing, public housing and other forms of rental housing as well as home ownership.

But a large number of the people who will be hopefully put back into place in New Orleans will be people of color who will face various forms of discrimination. Now one form of discrimination is simply not having the housing available in the appropriate income stature, but there are also dangers that people will be denied the housing.

We know that when it comes to the rental of housing or mortgages or all of these things that there is a racial element. We have diminished it, I believe; and I am proud of our collective efforts. But it is still there. So it is very important that we be able to deal with this; and I share the distress of my colleague from California that the President has proposed a 2 percent cut in the budget for fair housing, \$44 million for housing for the United States, less than \$1 million per State.

How can anyone who understands where we are in terms of race relations in the United States today think that that is remotely close to—it is not close to inadequate. Adequate is way off on another planet. It falls enormously short of inadequate. It is scandalous. Less than \$1 million per State, when there is, in fact, an increased need in New Orleans.

Again, I think we have made progress, but there is still discrimination. And the people who doubt this—and I will close with this, Mr. Chairman, because I will pursue this later—we have the evidence on the Internet. We have documented widespread—and I will introduce this into the record; some of it has come from some of the witnesses—widespread advertisements on the Internet from people seeking to house people who have been displaced from New Orleans, explicitly racist, except what they say, as I read them, is, “I am not a racist, but whites only”.

Well, I want to see what a racist says. If a nonracist says “whites only”, I guess a nonracist—I want to see what that becomes—or racist. But we have explicit evidence that racism, unfortunately—

I think it is diminished in this country—still prevails. So we have a great deal to do both with regards to New Orleans specifically and the country in general, and I appreciate you calling this hearing.

Chairman NEY. Thank you.

The distinguished gentleman from Texas, Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman.

I would also like to thank the ranking member, Maxine Waters, who has done a stellar job in helping us, along with you, with much of the issues, many of the issues that we are confronting.

I would like to thank my ranking member on Financial Services, Ranking Member Frank, for being as attentive as he has been and being here with us today, as well as all of the other members who are in attendance today. I am grateful that they are here.

Mr. Chairman, I, too, marvel at some of the things that have happened. I have had the good fortune, or misfortune, I am not sure which, to say that I was born in Louisiana, in New Orleans; and Charity Hospital was my place of birth. And I am certainly wanting to see the hospitals and the rest of the infrastructure in New Orleans reestablished. I would like to see the schools and the institutions of higher education receive the proper attention that they should receive.

But this hearing today is about housing.

And I want to thank you, Mr. Chairman, for the field hearings that we had in Louisiana and in Mississippi. I think those were most appropriate, and they give us some meaningful insight into some of the greater concerns that are being dealt with.

One of the concerns, of course, deals with trailers. Here we are in the richest country in the world. We constructed the Golden Gate Bridge; we constructed Hoover Dam; we have put people on the Moon; but we can't put a trailer on a lot. That is quite disturbing.

Thousands of trailers are literally wasting away in a field while people are in need of housing. That really is appalling.

We also are concerned about the levees, because levees not only impact housing but also business. And to rebuild the levees to a level less than a Category 5, I think would create concerns in the minds of businesspeople who want to relocate to Louisiana and bring major opportunities, jobs, to Louisiana. And to be quite candid, I would not want another hurricane to come through and devastate that area with levees that have been reconstructed to less than Category 5. I would not want to see that happen on my watch. I think I have a duty to do all that I can on my watch to make sure that we establish the best levee system that our technology can provide us with.

We spend enormous amounts of money in other places outside of the borders of the United States. And I am not demeaning those efforts. I do contend, however, that we can spend what it takes to secure the City of New Orleans and to restore the Gulf Coast area.

I think we did the right thing when we helped the 9/11 victims. That was the right thing to do. I think we did the right thing when we bailed out the S&L's. I think it is time for us to do the right thing by the people of New Orleans and the Gulf Coast. They deserve what we have done for others.

And I thank you very much for the time, Mr. Chairman.  
Chairman NEY. I want to thank the gentleman.

I want to start with Panel I, Kim Kendrick. Kim has served as the Assistant Secretary for Fair Housing and Equal Opportunity at HUD for the past year-and-a-half. Before joining the Bush Administration, Ms. Kendrick was the General Counsel for Covenant House Washington, an international non-profit organization committed to helping at-risk youth. From 1998 to 2002, she served as regional administrator for the District of Columbia Housing Authority.

I think this is your first time to testify as Assistant Secretary today. Welcome, and we will begin with you. Thank you.

**STATEMENT OF THE HONORABLE KIM KENDRICK, ASSISTANT SECRETARY FOR FAIR HOUSING AND EQUAL OPPORTUNITY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Ms. KENDRICK. Thank you. Good morning.

Chairman Ney, Ranking Member Waters, and members of this committee, I appreciate this opportunity to share with you how HUD has been helping to secure the fair housing rights of displaced Gulf Coast residents as they seek new housing.

My name is Kim Kendrick, and for the last 4 months and 2 weeks, I have served as Assistant Secretary for Fair Housing and Equal Opportunity at the U.S. Department of Housing and Urban Development. I oversee the Federal Government office with the primary responsibility for enforcing fair housing laws of the United States—most notably the Fair Housing Act, which prohibits discrimination in housing and housing-related transactions on the basis of race, color, national origin, religion, sex, disability, or against families with children.

Two days before Hurricane Katrina reached landfall, HUD Secretary Alphonso Jackson assembled a team who would be ready to respond to housing needs that he anticipated would arise in the aftermath of the hurricane. That team, called the HUD Recovery and Response Team, drew on employees from all HUD program offices, including HUD's Office of Fair Housing and Equal Opportunity, or as we call it, HUD FHEO.

While HUD typically is not a first responder in the event of national emergencies or natural disasters, Secretary Jackson's response to Katrina was immediate. HUD staff was on the ground in Louisiana within days to assist with the housing relocation effort.

Like other HUD offices, FHEO immediately dispatched staff to Baton Rouge to work with the Federal Emergency Management Agency in the disaster recovery centers. FHEO has maintained a staff presence of three to five persons in Baton Rouge since September.

FHEO has also increased its presence in Mississippi. And FHEO's Houston office has been actively involved in education, outreach, and enforcement activities in and around Houston, Texas, where the greatest number of hurricane evacuees have relocated.

The role of FHEO post-Hurricanes Katrina and Rita, is to make sure that people know their rights, to actively enforce the law when we learn about violations, and to work with the housing industry to prevent such discrimination in the first place.

From the start, most of the complaints that HUD received from the Gulf Coast region alleged discrimination against African Americans as they sought new housing. In general, the staff onsite in Louisiana, Mississippi, and Texas have been able to address reports of discrimination immediately and directly.

Staff provides onsite assistance on disability accessibility issues or advises landlords that they cannot discriminate against families with children. By providing the on-the-spot education to landlords and mobile home park owners, FHEO staff has been able to prevent some discrimination from occurring.

HUD recognizes, however, that many individuals seeking housing, and many landlords providing it, might not know their rights and responsibilities under the Fair Housing Act. So in the first month after the hurricane, HUD took out advertisements in local papers in the Gulf Coast advising people of their fair housing rights and Fair Housing Act's prohibitions against discrimination and how to report such discrimination.

HUD staff also distributed fair housing posters and flyers at the disaster recovery centers and shelters and among other organizations throughout the Gulf Coast. HUD staff and other fair housing partners in the Gulf Coast also appeared on radio and television programs to provide information on fair housing.

Also, on October 25th, in my third week as Assistant Secretary, I sent out an open letter to the housing industry advising them that it is against the law to discriminate in housing-related transactions on any basis that is prohibited under the Fair Housing Act.

To date, HUD has received thousands of telephone calls, and it has received 100 actual complaints of discrimination from displaced Gulf Coast residents. HUD has been investigating those complaints and obtaining relief for individuals where parties could arrive at some mutually satisfactory resolution.

HUD is currently investigating a number of complaints, including one filed by the greater New Orleans Fair Housing Action Center, which alleges discriminatory advertising on Katrina-related Web sites.

HUD has found that while the Internet is a valuable resource, helping hurricane evacuees finding housing, obtaining supplies, and locating loved ones, it can also cause harm. The Fair Housing Act makes it unlawful to publish discriminatory statements in connection with the sale or rental of housing. HUD takes all allegations of discriminatory advertising seriously, particularly when the language inflicts harm on people who have already gone through so much.

While a number of Web sites have begun to purge their sites of these discriminatory ads and have posted public information notices about the obligation of all advertisers to comply with the Fair Housing Act, we are continuing to investigate complaints against certain Web site providers.

Also, HUD continues to educate the general public about its fair housing rights. Last month, on January 19th, I joined HUD Secretary Alphonso Jackson and Congressman Green in Houston as we announced the launch of a nationwide public service announcement campaign to inform displaced hurricane survivors of their fair housing rights. Working with the Ad Council, HUD produced com-

pelling television, radio, and newspaper ads that informed the public that the storm isn't over for those hurricane evacuees who are facing discrimination as they search for new housing.

In the months immediately following the hurricanes, the first priority for many evacuees was having a roof over their heads and food to eat. We expect that when people see our public service announcements and reflect on the obstacles they experience in their housing search, we will likely see a rise in those complaints. Moreover, we expect we will see additional complaints as people leave the FEMA hotel reimbursement program and begin their housing search.

However, rest assured that HUD is not waiting for people to file complaints before taking action against discrimination. Where no one has stepped up, stepped forward to file a complaint, we have used our statutory authority to initiate investigations based on reports of discrimination that we have received. Specifically, HUD is investigating Louisiana parishes that have either refused to site FEMA trailers or have imposed significant restrictions on the placement of such trailers. Legitimate reasons may exist for some of these parishes' policies, but some allege that the parishes' objections are motivated by the fear that African Americans will move into these communities. HUD is looking into these allegations.

A significant part of our Gulf Coast efforts has been to advise FEMA on disability accessibility issues as it creates mobile home communities to temporarily house the people displaced by the hurricanes. HUD provided FEMA with a design for accessible mobile homes and provided guidelines to FEMA on how to make mobile home parks more accessible. HUD has also detailed a staff person to FEMA's long-term recovery efforts to advise on disability rights issues, promote the hiring and training of low-income persons on certain HUD-assisted projects and to advise on fair housing issues in general.

We have also directed more of our accessibility education efforts to the Gulf Coast, to make sure that developers, as they rebuild, make sure properties are accessible to persons with disabilities.

I thank the committee for the opportunity to testify on HUD's post-hurricane fair housing efforts. I ask that my written statement be made part of the record. I am now available to answer questions.

Chairman NEY. Without objection, it is made part of the record. Thank you for your testimony here today.

[The prepared statement of Ms. Kendrick can be found on page 54 of the appendix.]

Chairman NEY. I want to ask you, the termination of FEMA's hotel reimbursement program, now we don't know when this will be because the dates changed. It was going to be somewhere right after our hearing. And we went down and had our hearing, and it was changed. There is a judge involved. So I am not sure. But that is FEMA's call that they were making on that.

Well, let's assume that does happen, that there is a situation where, for whatever reason, the hotel rooms are stopped. Are you prepared for what I think would be a huge influx of complaints and how would FHEO handle that discrimination and where would people go?

Ms. KENDRICK. Thank you.

Yes, we are prepared to handle it. As you might know, 70 percent of the complaints that come into HUD are handled by our fair housing partners in our State and local agencies. The remainder are handled by HUD. So we expect that we have the staff available across the Nation through our network with our fair housing staff, the private organizations, and the public partners. We have the staff ready and available to help.

Chairman NEY. On that issue of the hotels, when we went down to the Gulf, it wasn't an issue in Mississippi. We asked, does anybody want to talk about—really, it wasn't an issue. But it was a large issue in New Orleans. And, like I said, I hope it doesn't happen. It is just shut off. And we expressed that and I think the Federal Government has to get with the State and has to get with the city, frankly, because I think there are some problems inherent with the three different entities of how this thing is going.

But I am saying if it does come about and we don't know how the judge will rule, what will happen, I just would say you probably will have a huge influx. If you have the staff prepared, I think it would be important.

I want to ask you, because I saw some things in New Orleans that were presented to us as a result of using things like craigslist, and I saw blatant examples of discrimination on there that we don't want families of color to be here or we don't want Catholics or we don't want Protestants or whatever, you name it. There were a lot of statements made on that list, where people could live or not. Have you seen the—with the advent of online classifieds like craigslist, have you seen more, the same, or less discrimination complaints?

Ms. KENDRICK. We have seen—we had some Internet complaints before the hurricanes hit, and we have been investigating those complaints. We have seen—we have received probably 15 complaints now involving the Internet. So that is more than we had in 2004. So 2005, 2006 we are seeing more complaints being filed, yes, sir.

Chairman NEY. How do you act? Do you act on the Internet complaints any different or is there a different procedure from how you would act on nonelectronic-involved complaints?

Ms. KENDRICK. No, we are handling the complaints the same way. The thing that we have done that is different, because this is brand new for us, what we have done is we put together a task force within FHEO to deal with these complaints so we can have consistency across the country on how these complaints are handled and how they are resolved.

Chairman NEY. Last question I have is, maybe you could explain just in simple terms how complaints of housing discrimination are filed in the sense, of will a simple complaint without the individual actually filing it trigger an investigation? Does the individual have to file the complaint or can the mere suggestion allow the Department to look into things?

Ms. KENDRICK. An individual calling on our hotline can file a complaint that way. That individual can file a complaint.

But, also, the Secretary has the authority to file Secretary-initiated complaints without a complainant once we hear that there is

something—that some activities have occurred that might be in violation of the Fair Housing Act. We have used that Secretary-initiated complaint several times since Katrina has hit. We are investigating parishes in Louisiana. We are investigating the housing authority in Louisiana because we have heard of complaints. So we didn't have complainants, so we took our initiative and started investigating those cases.

Chairman NEY. The gentlelady from California.

Ms. LEE. Thank you, Mr. Chairman.

Thank you very much for your testimony.

Let me mention a couple of things. We have heard from a variety of organizations that—I don't know if it is by accident or design—but that, of course, African Americans are being grouped in certain locations and individuals with disabilities are also being grouped in certain locations. And I want to find out about FEMA and your co-ordination with FEMA and has FEMA had any training from HUD on how to effectively provide fair housing? I want to make sure that FEMA is working with you to ensure that evacuees are integrated into their communities instead of being segregated from them.

So that is the first question I have with regard to FEMA and what you are doing to help them become more sensitive to our fair housing laws.

Secondly, I just want to know what your staffing looks like. Do you hire Katrina survivors, and what do you think you need in terms of staffing?

Finally, I just want to ask you about the National Fair Housing Alliance, which will be on the second panel. They, of course, conducted an initial investigation into racial discrimination in the rental market in the Gulf Coast; and they found that 66 percent of tests checking unit availability, rental rates, discounts, etc., that white callers—and I don't know how they determine who white callers are or African American callers—but there was a lot of discrimination. And I think that is just an astounding number. That is just one number.

So I went to know what HUD is doing to help organizations like the National Fair Housing Alliance to conduct these fair housing tests and have you conducted any on your own?

Ms. KENDRICK. Thank you.

I am going to address FEMA first. We have worked with FEMA since we got to the Gulf Coast right after the hurricanes, about 2 weeks after the hurricanes. We went down to Baton Rouge. We had HUD employees and specifically we had fair housing employees on the ground in Baton Rouge meeting daily with FEMA. Because of our daily meetings with FEMA, we did understand that they needed some training in areas of accessibility and disability issues and rights under the Fair Housing Act. They actually encouraged us to help them with our efforts.

So we were able to talk to them about mobile homes and manufactured homes, how to make those mobile homes and manufactured homes accessible for persons with disabilities. They were accepting of that information. We were also able to work with them on their mobile home parks to make sure that they were accessible for persons with disabilities.

One of the issues we did have in the beginning was making sure that they did not group certain people together because of disabilities. We helped them create mobile home parks that were accessible so that people could be integrated into the communities.

So FEMA has been very receptive to our intervention into their area.

Ms. LEE. So you believe that FEMA is sensitive to non-discrimination and to our fair housing laws as they relate to the disabled community, and to African Americans and people of color? They get it?

Ms. KENDRICK. I think that they get it. Yes, ma'am.

Ms. LEE. What about the training now in terms of the tests and funding the National Fair Housing Alliance, you know, which is a very important organization that is really helping you do a lot of what you all should be doing; and also let me know how many people you have out there.

Ms. KENDRICK. We work very closely with the National Fair Housing Alliance and their individual members. When we first heard about the hurricane, we found some extra money and we were able to get some extra dollars to some of the fair housing groups in the Gulf Coast area. So we had some extra fiscal year 2005 money. It wasn't a lot of money. But we were able to get \$500,000 down into the Gulf region to help with the organizations who were dealing with enforcement, dealing with testing issues. And we are investigating—NFHA did file some complaints with us, and we are investigating those complaints.

On the staffing level, we have—our staffing level is about 620 persons right now; and I can assure you that every one of us, every day, is involved with issues relating to Katrina.

Ms. LEE. Wait a minute. Six hundred and twenty in the Gulf region? How many do you have in New Orleans and Gulfport?

Ms. KENDRICK. In New Orleans—we have persons in New Orleans. We have people in our New Orleans office. We have them in Baton Rouge. We have people in Houston. We have them in Dallas. We have people in Atlanta, in Mississippi and, frankly, across the country, because these complaints are coming in across the country. So it is not just those people who are in the Gulf region. We have spread out the work across the country.

Ms. LEE. About how many people? What does that mean in terms of numbers?

Ms. KENDRICK. I probably could say on a daily basis we have 30 people dedicated just to Katrina efforts.

Ms. LEE. Do you need any more?

Ms. KENDRICK. As the President's fiscal year 2007 budget states, I think our staffing levels are accurate.

Ms. LEE. So you don't need any more.

Ms. KENDRICK. I think our staffing levels are accurate.

Ms. LEE. Accurate or adequate.

Ms. KENDRICK. Adequate, yes, they are.

Ms. LEE. Adequate.

Finally, do you have any Katrina survivors who are working with you on the investigation and complaints and doing really a lot of this work, which again, as I mentioned earlier, the amendment to both of our bills, the CBC bill and the Baker bill, required?

Ms. KENDRICK. From the HUD perspective, we don't have Katrina survivors working with us specifically. But when we were in Baton Rouge, we worked with FEMA and some of their contractors to explain to them the section—our section 3 program to encourage them to hire persons who were displaced by the hurricanes.

We also were able to—the moneys that we provided to the fair housing groups, we were hoping that they would use some of that money to hire testers to go out and some of the evacuees would be testers. So wherever we can encourage people to hire persons who have been displaced we have done so.

Ms. LEE. I don't think 30 people are really enough. You may think it is adequate, but given what we learned during our hearings, for the life of me, 30 people would just be able to scratch the surface on the whole notion of fair housing and making sure that people are not discriminated against.

Ms. KENDRICK. I don't want you to think just these 30 people are dedicated, but everybody on our staff works on fair housing issues every day. Because, as I said, the complaints aren't just coming in in Louisiana.

Ms. LEE. But you said nationwide it is 30.

Ms. KENDRICK. Nationwide every day those are the people in the Gulf region. Nationwide across the country we have our 600 employees who are all dedicated to working on this effort.

Chairman NEY. I thank the gentlelady.

The gentleman from California, again, welcome to the committee on your first day.

Mr. CAMPBELL. Secretary Kendrick, if I am looking at your statement correctly, you have received 100 complaints about discrimination to date?

Ms. KENDRICK. Yes.

Mr. CAMPBELL. Given that hundreds of thousands of people were displaced in these disasters and given the allegations of widespread discrimination, 100 out of hundreds of thousands doesn't seem to jibe with the comments that have been made that this discrimination was very widespread. How do you reconcile those allegations with the fact that you have only received 100 complaints?

Ms. KENDRICK. It is very obvious. I have spoken to a number of evacuees; and, frankly, they were interested in more immediate needs. They have the immediate need of temporary shelter, housing, finding their loved ones. But what we suspect is that once people get settled and they are moved out of the FEMA-sponsored hotels that we are probably going to get more complaints.

Mr. CAMPBELL. So you don't think this is indicative of the breadth of the issue at this point?

Ms. KENDRICK. I don't, and I am being very frank about that.

Mr. CAMPBELL. Thank you.

Okay, that is all, Mr. Chairman.

Chairman NEY. Thank you.

The gentleman from Massachusetts, Mr. Frank.

Mr. FRANK. Thank you, Madam Secretary. I understand this is new to you, the question of the Internet; and it has been new to all of us.

I think we have a serious dilemma here, and I appreciate the fact that you set up a task force. And I don't mean to have you try to anticipate the results, but if it turns out that provisions of other laws, the Communications Decency Act apparently most likely, immunize the Internet from the fair housing law, would you as a matter of policy be in favor of changing that, that is, given your commitment to enforcing fair housing laws?

What if, as a result of our inquiry, we found that Congress inadvertently in my judgment but perhaps effectively anyway has said that the Internet is immune from the fair housing laws, is that a situation you would be satisfied with or should we try to change that?

Ms. KENDRICK. I certainly would not be satisfied with that. I frankly think that the Communications Decency Act does not immunize any of these Internet providers. I think that the Fair Housing Act is sufficient to enforce the fair housing laws in this Nation against these Internet providers who are discriminating.

Mr. FRANK. I am not by nature really contrary, so it is nice to be able to fully agree with an Administration witness on that point, and I very much appreciate your saying that. I would just say then, if—and I agree with you, and certainly that was not the intent. But if it should be held by the courts that it is the effect of what we did, then I hope we will be able to call on you for appropriate help in drafting legislation that would change that.

I notice some of the people from craigslist said, well, we are not a newspaper and we shouldn't be treated exactly like a newspaper. I accept that. There may be some differences in how we apply the enforcement. But I want to definitely make sure it is enforced. So I thank you for that.

Now as to fair housing in general, I am just asking—because I appreciate your answer to the gentleman from California; he asked a reasonable question—in your view as the chief Federal official in this, by how much has housing discrimination in the United States decreased from last year to this year? How much less housing discrimination do we now have than we had a year ago?

Ms. KENDRICK. I can answer it this way, because I am not sure I can answer it the way you want. But the way I can answer it is that by the number of complaints that we have received, the number of complaints we have received from October 1st to date is about equal to the number we received at the same time last year.

Mr. FRANK. Then why are we cutting the budget?

Ms. KENDRICK. I am glad you asked that question.

Mr. FRANK. I am glad you are glad.

Ms. KENDRICK. Our budget, while you think it looks like a \$1 million cut, it is a combination of cuts and increases in the fair housing budget.

One of the things that—as Congresswoman Lee has stated, GAO audits has asked us to take a look at some of our issues; and one of the things we have done in fair housing is to create a Fair Housing Training Academy. By creating a training academy, we are able to consolidate some of our training budget and reduce some of our training budget so we can consolidate it all at the Fair Housing Training Academy. So we are able to reduce some of the budget because of that.

Also, last year, we had a policy conference. Every year that is an odd year—or an even year—we have a policy conference. So we put money in the budget for the policy conference. This is—

Mr. FRANK. This is an even year.

Ms. KENDRICK. 2007 is the odd year. So we don't need money for the policy conference. So that is why it looks like the budget shifted.

Mr. FRANK. So you are telling us if we were to vote for the budget as submitted, what amount would be available for enforcement? More? Same? Less?

Ms. KENDRICK. It would be the same, sir.

Mr. FRANK. Same for enforcement. The cut—it still doesn't seem to be enough, and in particular we—I guess the other issue is contingency. And I am glad you mentioned you were able to find some money to help out in the Katrina situation, and you mentioned \$500,000, is not obviously a lot of money in the context of something like that. Is there in your budget any kind of contingency funding should similar situations arise?

Ms. KENDRICK. No, there is not.

Mr. FRANK. I would think that is something we should look at, building on that experience. It could be a contingency that would not be spent if it didn't have to be spent, but give the fact that if you did find the need to go to, you had to go to that, the assistance of people last time, we ought to learn from that and build that in.

While I appreciate your answers; and I look forward to getting the result.

Let me just ask one question. I assume that at some point you would be willing to do an enforcement action against people who are blatantly racist on the Internet. Because, obviously, that would be the prerequisite for finding out what the courts considered to be the case. So you are telling us if you find a case which does violate the law, leaving aside the potential immunization, you would then bring an enforcement action that would then allow us to get this into court?

Ms. KENDRICK. Yes, sir. I have consulted with our General Counsel. Our General Counsel has assured me that we have the authority under the national Fair Housing Act to enforce against Internet providers who discriminate and against those persons who advertise on the Internet in a discriminatory manner. We have the authority to enforce under the national Fair Housing Act, and we will do so if we find discrimination.

Mr. FRANK. It shouldn't be too hard to find discrimination, and then we will see if we have to take any further action. Thank you.

Chairman NEY. The gentleman from Texas, Mr. Green.

Mr. GREEN. Mr. Chairman, I see that we have been joined by our ranking member, and I would gladly yield to her. Neophytes do learn protocol, Mr. Chairman.

Thank you again, Mr. Chairman.

I do want to, if I may, acknowledge the presence of an NAACP representative. The director of the Washington Bureau, Mr. Hillary Shelton, is here. And I know we have a NAACP representative who will be on the next panel. But I am honored that he has chosen to be here. As you know, the NAACP is our oldest civil rights orga-

nization, and we are hopeful that it will be acknowledged as such by the Congress at some point in the near future.

If I may, I would like to thank you also, Ms. Kendrick, for not only being here today but for coming to Houston and announcing that you were going to be a part of this fight, if you will, to eliminate discrimination in housing.

Secretary Jackson was there, and he made some very strong comments about his position on discrimination and the elimination of discrimination.

I remember one question which took us beyond what we traditionally think of discrimination and it had to do with discrimination against just a Katrina victim, a person who may not be of African ancestry, a person who may not be bound by some disability, and how would just a person who is a Katrina victim be helped?

And, apparently, it is not easy to help white people who are discriminated against, but we know that it happens. If you are white and if you are a Katrina survivor and you apply for housing and someone rejects you simply because you are a Katrina survivor and you happen to be white, it creates a concern. Have you had an opportunity to review that situation of just a victim who is not of an ethnic group, not religious discrimination, not based on some disability, not based on gender, but based upon the fact that someone just doesn't want a Katrina survivor living on their property?

Ms. KENDRICK. Under the Fair Housing Act, as you know, we have a group of protected classes. If you don't fall within the class, you are not protected by the Fair Housing Act.

Notwithstanding, at FHEO, we take a look at all issues and try to work—investigate those issues and try to work with those persons. For example, just because you are a Caucasian doesn't mean you are not protected. We had a case in Georgia where the family notified us that their employer was not accepting Katrina evacuees, and we were able to take that as a complaint.

So we try to work with everybody who comes forward because we know everybody needs help. Whether we take it as a fair housing complaint or just deal with it because we are HUD, we try to deal with it, sir.

Mr. GREEN. What percentage of the people served and helped would you say are not of African ancestry because of some disability that is recognized, but they are not African Americans?

The point I am trying to make is that a lot of these dollars will benefit people who are not of African origin. Sometimes we tend to think of fighting discrimination as a black and white issue and the black person being the sole beneficiary of the moneys that are allocated. But my suspicion is that we have a good number of persons who are not of African ancestry who benefit from these dollars, and maybe you have some anecdotal or empirical data to support my thesis.

Ms. KENDRICK. It is about 50 percent of the complaints we receive, about 50 percent are not African American.

Mr. GREEN. Moving along to something else that happened last year, we were able to—with the help of Ranking Member Barney Frank, Ranking Member Maxine Waters, Congresswoman Barbara Lee, Congressman Hastings of Florida, and Congressman Grijalva, we were able to add \$7.7 million to fight discrimination in housing;

and we received bipartisan support for that. And people want to—there is a core group of folks who seem to want to make sure that we are in a position to fight discrimination in housing. And I mentioned that because I think that same group of folks will want to do what they can this year to make sure that we have adequately funded this effort to fight discrimination in housing.

If an effort is made to assist you, could you use a few more dollars in that budget if you had them? Not that you would solicit, but if you had them, would you find a meaningful way to use a few more dollars?

Ms. KENDRICK. If they magically appeared in our budget, we would use them.

Mr. GREEN. Thank you. Sometimes we have the magic touch here in Congress.

Let me just mention one more thing as I close. You are not the supervisors of HUD—pardon me of FEMA, is that correct?

Ms. KENDRICK. That is correct.

Mr. GREEN. You don't supervise FEMA.

Ms. KENDRICK. No.

Mr. GREEN. And I don't want you to grade FEMA. But, apparently, there are some things that FEMA should be doing, that they haven't done well, but I think that you sometimes get the blame.

These trailers, for example, I think that is a FEMA responsibility, isn't it? Are you involved in helping to get those trailers located on lots in Louisiana and Mississippi?

Ms. KENDRICK. What we are doing is we are assisting FEMA in their efforts to get the mobile homes, manufactured housing placed in parishes in Louisiana.

Mr. GREEN. And tell us what role you play in that, if you would, please.

Ms. KENDRICK. What we are doing is FEMA brought to our attention that they had some—maybe 50 parishes out of—only 8 parishes out of 64 that were willing to have trailers situated in their communities as a group trailer facility, and they brought that to our attention. So what we are doing is we are investigating those parishes to make sure that any time they make a decision not to situate group trailers in their parishes, that the decision is not based on any type of discriminatory manner.

Mr. GREEN. Finally, in your comments, you indicated there are people who literally don't want African Americans in their communities; and they are concerned that if you bring in the trailers that will bring in the African Americans. I want to compliment you on acknowledging that.

One of the first things that we have to do, if we want to eliminate discrimination, is to admit that it exists; and I am pleased that you are publicly admitting and saying this.

My suspicion is that you know well what discrimination is, and sometimes a visual inspection of a person can tell you a lot about a person. And as I visually inspect you, my suspicion is that you dealt with discrimination in your lifetime. But it is good for your agency to say that, that it exists and that you are fighting it and that there are people out there who don't want certain people to move into their neighborhoods. Because there are others who literally try to disavow the existence of any discrimination at all. Do

you keep statistical information on these acts of discrimination and how they are resolved?

Ms. KENDRICK. Yes. The complaints that come into HUD—we keep a record of all the complaints that come in and how they are resolved.

Mr. GREEN. You mentioned 100 complaints. For every 100 that you get, do you have a guesstimate as to how many are not filed and not reported?

Ms. KENDRICK. I don't have a guess on that, but certainly you can assume that there are some people who just don't want to file complaints.

We have situations even in the Katrina incidents where we have tracked down people based on news accounts and wanted to help them; and they have said, no, I don't want to file a complaint. I just want to move on and find housing.

We know it is out there. We know some people who are discriminated against don't want to file a complaint, but we still try to help those persons.

Mr. GREEN. Well, thank you very much for your testimony; and I yield back the balance of my time. Thank you, Mr. Chairman.

Chairman NEY. I thank the gentleman from Texas.

We have been joined by our ranking member, the gentlelady from California. And, again, as at the beginning the hearing, we thank the gentlelady for her time and attention and perseverance on the first official committee hearing which we had in the Gulf of the Housing Subcommittee.

Ms. WATERS. Thank you very much, Mr. Chairman, and I thank you for holding the first official hearing in the Gulf region on the issues that confronted us relative to Katrina, the housing issues, of course, in particular. Not only did you go to New Orleans but to Gulfport, and we toured all the way down through Bay Saint Louis.

But it was because of that hearing that we were able to really focus attention on what was happening with the trailers and what the problems were that the citizens were encountering in an attempt to get those trailers. So your follow-up today is absolutely commendable. Not only did you hold the first hearing, you are following up, and you have been very generous with all of the members of our panel in allowing us to pursue the issues in a way that I have never seen done before.

I know that when we were in Mississippi you allotted me extraordinary time on the panel to pursue the trailer issue, and I want you to know that I really do appreciate that.

To Ms. Kendrick who is here today—and let me apologize for being late. We were held up in an election over at the CBC meeting that had to take place this morning.

To Ms. Kendrick who is here, I have been updated quickly about your testimony and the questions that has been raised of you. I think that this committee, the members here, have covered most of what we have been concerned about with what is going on in the Gulf region and in New Orleans, from my point of view in particular, and the discriminatory tactics that are being employed on the Internet and with the owners of rental property; and you have responded to that.

As I understand it, not only are you—do you agree that there is a problem, you also have initiated that you have no problems in following up with the enforcement powers that you have in order to deal with this basically discrimination and, in some cases, racism and discrimination.

So let me just say I have one little bit of an inquiry, and I don't even know if it is applicable to the supplemental CDBG funds that we authorized from this committee. Most of us believed, and I thought we had done that in such a way that those funds would be used for housing for low- and moderate-income persons, for the most part. The supplemental, yes. However, I guess there are some questions about who controls the supplemental and how is it being used, those funds that we authorized.

Are you aware of the CDBG funds, the Community Development Block Grant funds, and how they are being used and whether or not there is some attempt to use them for something other than what we authorized?

Ms. KENDRICK. I am aware that a \$11.5 billion supplemental appropriation was provided for the Community Development Block Grant program. I also know that there was a notice published in the Federal Register that explains how those funds should be used, and I know that the Secretary wants to encourage that those funds be used for housing opportunities in the Gulf Coast.

Ms. WATERS. Are you aware that there are any attempts to use them for anything other than housing, for example? Are people using them to support other programs in addition to housing, because I am not aware, it has just been brought to my attention. Of course we are going to take a look at it, but I thought perhaps you might know something about some attempts to direct the funds in other social programs, etc.

Ms. KENDRICK. As you know, the way the program is set up, the Gulf region—those States in the Gulf region—will be submitting plans to HUD for review. We can't approve the plans, but the way the language in the appropriation was set up, we are supposed to take a look at the plans and help guide them in that direction. It is going to be the local, the States, that will be responsible for developing the plans and how they want to best use the money for their communities, but HUD does have a role in reviewing those plans.

Ms. WATERS. I think we did have some questions about whether or not the Governors of those States would be in control of those moneys or whether or not it would operate in the traditional manner, going into the cities, where the cities, basically through their city councils, have plans and ways by which they disseminate those funds. Are you aware of that discussion?

Ms. KENDRICK. I am aware, just reading the statute, reading the notice, the Federal Register notice, that the Governors have to submit plans for their States.

Ms. WATERS. If I may, Mr. Chairman, that is a little bit different than normal.

Chairman NEY. The question is in regard to the—

Ms. WATERS. The CDBG funds. With our supplemental authorization did we also write something in that would allow the Gov-

ernors to be able to direct these moneys in ways different than we normally do when those moneys go into the cities?

Chairman NEY. I don't believe we did but I don't want any mistakes, so we will have to get a direct answer. I think the Governors have some discretion in it of what they can do, but we do need to get an answer. I am not completely positive.

Ms. WATERS. Thank you very much. I have no further questions. Thank you.

Chairman NEY. With that, I want to thank you for your time today.

Ms. KENDRICK. Thank you.

Chairman NEY. We will go on to the second panel. I want to welcome Panel II.

First we have Mr. Derrick Johnson, the president of the NAACP Mississippi State Conference, who was also in Gulfport with us. So it is a pleasure to see you again. The NAACP is the Nation's oldest and largest civil rights organization. It has a half million members throughout the United States and the world, and advocates for, and monitors for, civil rights and equal opportunity.

The next witness is Janet Murguia, the president of the National Council of La Raza, a nonpartisan, nonprofit organization headquartered in Washington, D.C., the largest national Hispanic civil rights and advocacy organization in the country. Welcome.

Also, Mr. James Perry, the executive director of the Greater New Orleans Fair Housing Action Center, who was with us in New Orleans during the hearing. The Center works to eradicate housing discrimination in the greater New Orleans area. Currently the Center is focused on the issue of predatory lending.

Joseph Rich is the project director of the Housing and Community Development Project for Lawyers Committee for Civil Rights Under Law. The committee's major objective is to use the skills and resources of the legal profession to obtain equal opportunity for minorities by addressing factors that contribute to racial justice and economic opportunity.

And also Shanna Smith, the president and CEO of the National Fair Housing Alliance, which is the only national organization dedicated solely to ending discrimination in housing since 1990. She has led the agency as it works to ensure equal housing opportunity for all people.

Chairman NEY. We will begin with Mr. Johnson.

#### **STATEMENT OF DERRICK JOHNSON, PRESIDENT, MISSISSIPPI STATE CONFERENCE, NAACP, JACKSON, MS**

Mr. JOHNSON. Thank you Chairman Ney, Ranking Member Waters, Congressman Green, and other members of the committee. I would like to thank you for inviting me to speak here today. I was really hoping to go last but looks like I am going first.

Chairman NEY. We can change that order. I have no problem.

Mr. JOHNSON. I am fine, since I have started now. Founded in 1909, the NAACP is the Nation's largest civil rights organization. The Mississippi State Conference has been active in providing civil rights advocacy for over 60 years and has a mission to ensure political, educational, social, and economic equality rights of all persons, and to eliminate racial hatred and racial discrimination.

On January 9th, after Katrina, Mississippi NAACP held a State Legislative Gap Analysis Convening, gathering stakeholders to discuss State or housing policy, pre-Katrina, and to identify potential policy gaps in preparation for the 2006 legislative session. Participants included local and national housing experts, legislative and community stakeholders. As a result of this convening, we identified several policy gaps that would lead to ongoing housing discrimination for African Americans and low-income individuals.

The Governor's Commission Report, of which I served as Vice Chair, included preliminary data on housing damaged by the storm and noted that although all people were struck by the storm, low-income households were more likely to lose their homes due to a greater likelihood of living in older properties.

The storm has further eliminated affordable housing on the coast and a wave of evictions and rent gouging threatens to exacerbate the displacement of low- and moderate-income families from their coastal communities. We have already seen eviction cases clogging the courts and TV news stories covering tenants in low-income developments threatened with evictions to make way for higher rents.

Additionally, low- and moderate-income homeowners in some communities face fights with their insurers to receive coverage or receive settlement adequate to make needed repairs. While those problems face low- and moderate-income owners and renters, they are of particular concern to African American communities, particularly historic coastal communities like Turkey Creek, North Gulfport, and Forest Heights communities in Gulfport and East Biloxi that were already dealing with decades of exclusion and disinvestments from the storm.

If the housing problems faced by these groups are not addressed, we fear that the storm and the Government's response may permanently displace a large number of African Americans and lower-income people. We feel that those able to stay and return would no longer recognize their communities, as gentrification pushes people of color out.

In regard to fair housing, Mississippi does not have a Fair Housing Act, resulting in housing discrimination going unchecked in many instances. Housing discrimination can be subtle and all too often goes unreported, since the victims may not even know they are being discriminated against. They are simply told a house or property has already been rented or offered different rent than other applicants.

Importantly, the lack of State and local fair housing agencies means that victims of discrimination are also not aware that there are options to enforce the law, or lack the resources to do testing or otherwise investigate claims of discrimination. A State law creating these enforcement and testing agencies funded by either State or Federal monies could make a tremendous difference in making prospective buyers and renters aware of their rights and owners aware of the law. However, State legislators in this legislative session decided not to approve a bill which would have created a Fair Housing Act for Mississippi.

In regard to CDBG funds, as you are aware, Congress appropriated over \$5 billion in funds for Mississippi. Because of the discretion given to States, particularly the Governor, there is no guar-

antee that any of these funds will be used in ways to benefit low- or moderate-income homeowners or to do anything to create or rehabilitate rental housing affordable to the poorest and most vulnerable families displaced by the hurricane. Nor does the proposed plan by the Governor make any provisions for individuals with disabilities. This will be the greatest tragedy and example of discrimination of all, especially since the Governor's Commission Report identified both of these issues as significant needs since Katrina. The most vulnerable residents will be excluded.

Under the Governor's proposed plan, he is proposing to provide grants up to \$150,000 to individuals who are owner-occupied homeowners. They must be outside of the flood zone and the homeowner must have had insurance before Katrina, but no flood insurance.

The Governor's plan fails to provide support for senior citizens who may own their home but are on a fixed income, i.e., Social Security, and could not afford insurance; senior citizens who live in affordable housing complexes; home renters or residents who live in affordable or subsidized housing that was destroyed.

The CDBG funds do not, however, need to be used in the manner the Governor is proposing. Though the Federal appropriation must be administered by an entity chosen by the Governor for each State, nothing in the Federal law requires that the funds be spent on any particular program. We strongly believe that the funds should prioritize those most in need and that the Secretary of HUD should not waive the 50 percent requirement that funds support low- or moderate-income individuals. Not only is that requirement already reduced from the 70 percent normally required by CDBG funds, it ignores the disproportionate funds and resources such as the SBA loan program that benefits middle- or lower-income households but have redacted lower-income homeowners at staggering rates.

Homeowner counseling should be required to prevent predatory practices. Under the Governor's plan there is a great concern that low-income homeowners will be disadvantaged without mandatory homeowner counseling. For those who are eligible for the homeowner grant, the process would occur in the following manner. A private entity that the State will contract with will determine eligibility of recipients of CDBG funds under the direction of the Mississippi Development Authority. Those who are deemed eligible will receive a check up to \$150,000 dollars.

Chairman NEY. I am sorry; the time has expired, but if you would like to summarize, and, without objection, put all the testimony as part of the record.

Mr. JOHNSON. Okay. Let me go directly to the recommendations. Under potential issues that are listed on the page, three recommendations we would like to see come out of this process: a strong, funded counseling component that informs check recipients of their rights and consumer protections and identifies eligible users. If checks are provided through homeowners, they will be dual-signed over to the homeowner and the bank. Banks will have an obligation to try to get their mortgage paid off and homeowners will be left holding a piece of slab that they will have no funds to repair.

Two other issues we identified: Money must be set aside to assure that the rights of people with disabilities are not violated through inadequate program design, and affordable housing is replaced on a one-to-one basis. That is a provision that was taken out of the supplemental CDBG package.

The final recommendation for the committee is that the Secretary of HUD should not waive the 50 percent requirement that funds support low-or moderate-income individuals and should require that the State plans for using the CDBG funds demonstrate how that will address the needs of all groups affected by the hurricane.

Thank you, and I would like to enter my written testimony into the record.

Chairman NEY. Without objection. Thank you, Mr. Johnson.

[The prepared statement of Mr. Johnson can be found on page 48 of the appendix.]

Chairman NEY. The next witness.

**STATEMENT OF JANET MURGUIA, PRESIDENT AND CEO,  
NATIONAL COUNCIL OF LA RAZA**

Ms. MURGUIA. Hello. My name is Janet Murguia and I am the president of the National Council of La Raza. I want to thank the committee for inviting us to speak on this very important topic. It is an issue we have followed very closely, and in fact later today NCLR is releasing its own report on Hurricane Katrina and where the failures occurred when it came to, particularly, the Latino community. And we also make recommendations about lessons learned. So I appreciate the chance to be here today.

I also want to extend a special thanks to Chairman Ney, Ranking Member Waters, Congresswoman Velazquez, and Congressman Tiberi for their hard work on housing counseling and other housing issues important to Latinos. I see Congressman Green. I know you were the host of a town hall for many of us in the Latino community and other communities of color, most recently through the tri-caucus. Thanks for your work in Houston.

As an advocate for Latino families, I understand the pivotal role of fair housing and a family's pursuit of life opportunities. And I know from my own personal experience, growing up in a large Hispanic family, in a small house, how important that opportunity of home ownership can be. There were nine of us, so we were crowded and the house was old, but it was ours. Growing up in a home, no matter how poor the neighborhood, gave us a sense of community and a sense of pride.

Equal access to housing is critical to the stability of neighborhoods everywhere and is essential to the strength of communities anywhere. It is especially critical to the rebuilding efforts of the Gulf Coast region. And I have had a chance to visit there at least once or twice since the hurricane.

I want to begin by telling you about Nilo Cervantes. He is a legal permanent resident of Mississippi. He had been a hardworking employee of Tyson Food Company but lost his job in the wake of Katrina. Like other storm victims, he turned to the American Red Cross when he lost his home. Unfortunately, help was not what he found. Instead, he and nearly 40 other people were told the shelter

was not available to out-of-state workers or non-U.S. citizens. They were evicted the next day.

Whether they didn't bother to ask or didn't believe his story is not clear; what is clear is that he and others were targeted because they are Latino. His story is indicative of the antiimmigrant backlash that has sprung up across the country. As a result, many Latinos are unfairly stereotyped as being immigrants or illegally present, or both.

This has led to increased discrimination, especially in the area of housing. Housing discrimination against Latinos is not new. Research sponsored by HUD in 2000 showed that discrimination against Latino renters had actually increased since 1989 and new data is telling us that discrimination rates are on the rise in the current climate.

This committee has already heard many alarming reports of discrimination against Gulf Coast residents. I echo these concerns and the concerns of my fellow presenters. Such discriminatory acts will erode decades of work in fair housing.

I would like to share three areas of particular concern and then discuss the implications that they have for the rest of the country.

First, many Latino workers are still unable to find decent housing. Promised housing by their FEMA-contracted employers, these workers are forced to live in tents on the outskirts of construction sites.

Second, many homeowners are facing possible foreclosure. We believe that these families are extremely vulnerable to predatory lenders.

And, third, the Internet threatens to become a new tool for discrimination.

As you have already heard from the Greater New Orleans Fair Housing Action Center, Web ads clearly stated that Latinos and families with children were not welcome. I am unhappy to report that such discrimination is not limited to the Gulf Coast. For example, just last week The Washington Post reported that two local cities are using zoning codes to profile Latino families. Despite repeated inspections of their home, few, if any, infractions were found. They are trying to block Latino families from their neighborhoods. Making matters worse, the current enforcement system is ill-equipped to handle these issues. Too few have access to the information they need and too few Latino organizations are involved in fair housing enforcement.

Recourse for a discriminatory act is unlikely. Even if legal action is taken, the process is slow and painful for the family.

It is clear that Congress must act on these issues, and in the spirit of bipartisanship I would like to make the following recommendations: first, target a portion of reconstruction funds toward fair housing; second, engage communities in the battle against housing discrimination; third, hold Web site hosts accountable for discriminatory ads; and, finally, fully fund an adequate fair housing outreach and enforcement system.

This testimony obviously is focused on Latinos but I believe it applies to all communities of color and all those in need. I invite you to please read our written statement for further information. We stand ready to work together with this committee and we thank

you for this opportunity. I am happy to answer questions at the appropriate time.

Chairman NEY. Thank you.

[The prepared statement of Ms. Murguia can be found on page 59 of the appendix.]

**STATEMENT OF JAMES PERRY, EXECUTIVE DIRECTOR,  
GREATER NEW ORLEANS FAIR HOUSING ACTION CENTER,  
BATON ROUGE, LA.**

Mr. PERRY. Thank you Chairman Ney, Ranking Member Waters, and members of the committee. I welcome the opportunity to speak to you on Mardi Gras today. It is so important to me that I let go of the festivities and made it out to Washington D.C., for the hearing today. Very tough thing to do.

Our organization is an 11-year old private, nonprofit civil rights organization established to eradicate housing discrimination in the New Orleans Metro area. I had the great opportunity to speak to this subcommittee in New Orleans on January 13th. And so today I am going to not go through a lot of the detail that I went through that day, but instead really focus significantly on the Internet advertising cases that we have had to take in since the hurricanes.

At the last hearing I gave you a brief overview, but I am going to go into some more detail here today. In early December, we received information from an evacuee concerned about several advertisements that she had noticed on Katrinahousing.org. In a matter of minutes she faxed a printout of the ads to me. When I conferred with our staff attorney, she thought that the ads must be a hoax. We read the ads together and we saw the following:

"I would love to house a single mom with one child; not racists, but white only." "Not to sound racist but because we want to make things more understandable for our younger children, we would like to house white children." "Provider will provide room and board for \$400, prefers two white females." "White Catholic family, children welcome." Last but not least, "room available to single white mother with child or younger to middle-aged white couple."

We immediately sought to determine the authenticity of the advertisements. We logged onto Katrinahousing.org and searched for housing in the State of Louisiana and instantly five discriminatory advertisements popped up. It didn't take us any time to find them.

What that communicated was perhaps this isn't some anomaly but, rather, a normal happening on the Web site. I spent the rest of the day searching Web sites related to the evacuation process and found five different Web sites and found about 28 pages of ads just in that first day that were discriminatory. The advertisements were on Katrinahousing.org, Katrinahome.com, DHR online, and reliefwelcomewagon.com.

I was really disappointed to find one of the Web sites, DHR online, is a FEMA-sponsored Web site. When an evacuee registers for housing through the FEMA process and finds out whether or not they are going to be qualified, the FEMA Web site directs them to DHR online to look for housing opportunities on DHR online. The two are interrelated.

So as a result, on December 23rd, we partnered with the Lawyers' Committee for Civil Rights and the Relman Law Firm to file a complaint against each of these Web sites, so we have gone forward with that complaint process.

To date, none of the cases have been settled. Some of the sites have removed the discriminatory advertisements or put forth some mechanism to prevent discriminatory advertisements from being placed, but we are still working through that process. It has been a long, arduous process. We really thought when we brought this to their attention they would spring into action to remove the advertisements and things would happen quickly, but unfortunately it has been a very slow process.

One of the big issues is that they have attempted to defend their actions by using the Communications Decency Act. They have said that the Communications Decency Act immunizes them. Obviously we disagree, as does Assistant Secretary Kim Kendrick. It doesn't give them immunity. But there is at least one court that has sided with them that perhaps there may be some immunity. That is a big issue and the case may be, as Representative Frank said earlier, that inadvertently Congress may have given Web site providers the idea that perhaps they don't have to comply with the Fair Housing Act when they publish discriminatory advertisements. We think it is a wrong and bad reading of the Communications Decency Act.

With that said, what I would implore from members of this committee, and Members of Congress in general, is an amendment to the Communications Decency Act that very clearly settles the issue. The amendment can clearly and very plainly state that nothing in the CDA limits the Fair Housing Act or limits the effect of the Fair Housing Act. I really think that a very simple one- or two-line amendment would remedy the problem.

If the New York Times or the Washington Post ran any of these advertisements that I read to you today, there would be no question of liability. And they would instantly remove the Web sites because there is so much case law that establishes that they are liable in these situations. But because of the Communications Decency Act, some of these Web sites think that they can go forward here; that they don't have to remove these advertisements; that they have no obligation. They think that it is okay for them to have an advertisement that says that it is illegal or that says that they won't allow a person to rent a home because of the color of their skin or national origin, etc. So we implore your action on this issue.

In recent years there have been a large number of cases that have come up on Internet advertising situations. Only weeks ago there was a Web site, a lawsuit filed against craigslist. In 2003, the Justice Department negotiated a settlement against a Web site called sublet.com. And then the San Fernando Valley and Fair Housing Council of San Diego are currently litigating against roommates.com. As the Assistant Secretary mentioned earlier, there are about 15 cases that HUD is currently considering dealing with these Internet advertising cases.

According to the housing advertising guide, most families now who are looking for housing turn first to the Internet when looking for a home before looking to any print advertising. I submit to you

that this is the way people are going to look for housing in the future. This is it. And so it is appropriate for Congress to act now to make sure that there are proper safeguards so people are not discriminated against. It will erode some of the great strides in the fair housing arena.

I have a significant number of additional comments, but because I have been able to make many of them before the committee before, including the recommendations, I will conclude my comments there and submit my written comments for the record.

Chairman NEY. Without objection. Thank you.

[The prepared statement of Mr. Perry can be found on page 66 of the appendix.]

Chairman NEY. Mr. Rich.

**STATEMENT OF JOSEPH D. RICH, PROJECT DIRECTOR OF THE  
HOUSING AND COMMUNITY DEVELOPMENT PROJECT, LAW-  
YERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW**

Mr. RICH. Thank you Chairman Ney and Ranking Minority Member Waters. My name is Joe Rich and I want to thank you on behalf of the Lawyers' Committee for inviting us to this hearing today, and particularly Barbara Arnwine, our executive director, asked me to thank you as well.

In our written testimony that has been submitted, we set out two major fair housing issues that I would try to summarize. I want to introduce our testimony into the record and I will try to summarize what is in it.

First, I want to make one point that I think is very important that came up early and has been coming up at all hearings: how important it is for Members of Congress to go to the coast and see what is actually going on. I am pleased to hear that Speaker Hasteret and Minority Leader Pelosi are going down, and I don't know how many are going with them, but I urge that.

First, let me just touch on the Internet advertising issue that James has summarized so well. First, I want to say how much of a pleasure it has been for us to work with the Greater New Orleans Fair Housing Action Center.

I wanted to make a couple of points about the Internet issue. It is a growing issue. As James pointed out, the amount of advertising for housing is growing, the amount of advertising in the press is declining, and if the defense that is routinely brought up by Internet providers through the Communications Decency Act is found by the courts to be valid—which we don't think it is—we think that the act was designed to protect against obscenity, defamatory statements, not Fair Housing Act discrimination statements. Nonetheless, there is some uncertainty on this. And if this were permitted, you would have the absurd situation of ads that were in a newspaper being illegal and ads on the Internet not being discriminatory ads.

I second the suggestion that James made about what could be a fairly simple fix of this by Congress to clarify this point, something that Congress did not intend to do and should make clear now to avoid the ongoing litigation.

The second area I wanted to touch on was the importance of another part of the Fair Housing Act, section 808, which puts a duty

to affirmatively further fair housing on the agencies that use Federal funding as well as the agencies that receive the Federal funds. This actually imposes an obligation to promote fair housing, to promote racial integration, and to ensure that more minorities are not excluded. Particularly in this situation, this is an extremely important part of the Fair Housing Act. It touches on so many of the things that are problems.

Derrick Johnson mentioned the CDBG problem. I would add one thing; in Mississippi you have a situation where the money now is proposed to be used only for homeowners who are insured. This leaves out low-income homeowners who cannot afford insurance, and that is a real gap for low-income people and it is where you need to see section 808 needs to be applied.

I think the States are looking at these issues now, and hopefully, they will address them. If not, HUD must be very, very vigilant in doing that when they review the plans. And that also goes to the issue of the 50 percent of the money that is set aside for low- and moderate-income.

Secondly, what is really missing from these plans is money for rehabbing, rebuilding apartments for low-income and moderate-income people. Indeed, all of these plans have very little money for renters. Without that, the low-income people are disproportionately affected. And there is a real need now to do something about rebuilding subsidized housing.

I will just give you one example and then I will stop. When we were down in Mississippi back in October, a group of people came to us who lived in a subsidized housing project and they told us—this was a Thursday—they told us on a Monday that they were going to be evicted. We went over to look at the property. The property was in horrendous condition not only from the hurricane but pre-hurricane. We were able to go to the landlord and stop the evictions.

Since October, there has still been no effort made to rehab this building; and the people, while they are able to stay there, they are living in these continued horrendous situations.

It is important that there be money set aside to rehab and rebuild this type of housing. It is another fair housing issue, and it is something that I think HUD should consider when they are reviewing the plans.

Thank you.

Chairman NEY. Thank you.

[The prepared statement of Mr. Rich can be found on page 101 of the appendix.]

Chairman NEY. Ms. Smith.

**STATEMENT OF SHANNA L. SMITH, PRESIDENT AND CEO,  
NATIONAL FAIR HOUSING ALLIANCE**

Ms. SMITH. Thank you, Chairman Ney. My name is Shanna Smith and I am with the National Fair Housing Alliance. You have my testimony for the record, so I would like to instead address some of the things that were raised with the Assistant Secretary in some of the other questions that came up.

First of all, the testing that the National Fair Housing Alliance engaged in immediately in September was provoked because we

know many people who experience discrimination simply don't report it. There are more than 2 million estimated instances of race and national origin discrimination occurring annually in the United States. HUD handles less than 3,000 complaints, the State and local government agencies handle around 6,000, and the private groups handle around 16- to 17,000. We are not even touching the tip of the iceberg with the amount of discrimination that is going on. Representative Campbell asked how much is really happening with more than 1 million people displaced from New Orleans. I don't think any of us know that answer because without testing we won't understand the nature and extent of the discrimination.

We know that African Americans and people with a disability file more complaints. We do know that Latinos and Asian Americans, many of whom were displaced throughout the Gulf Coast, rarely file complaints. So we must conduct testing by sending out white testers with Latino, African American, and Asian American testers and people with disabilities to see how the housing market is actually treating them.

What we found in our initial testing in 65 paired tests was that 43 out of the 65 tests showed that African Americans were being given untruthful information about availability, about the amount of rent that was going to be charged, the security deposit, and they all identified themselves as Katrina evacuees.

We did telephone testing, which is using linguistic profiling. I know Congresswoman Lee said she wondered how that works. All of us make judgments based on a person's phone voice when we are talking to them. We might not guess right. If you are from the North and I am from Ohio, northern Ohio, so my accent is a little different than people from southern Ohio and—I know we are from Ohio but we have this Midwest accent.

When you are talking to someone, we guess about them by their voice. It doesn't mean we are a bigot when we do that, our brain just filters information as it comes in to us. What we do with that information is what gets these landlords in trouble.

So many of them decided that the person they were talking to was African American or Latino and chose not to give them truthful information about an apartment.

We went through the Internet; as you heard in the previous testimony that so much is being done on the Internet. We also tested large apartment complexes. We didn't do the mom-pop kind of situation. We went to large complexes where we know they know the law and we found high rates of discrimination.

We then chose some of the tests where it wasn't clearcut from the telephone test. We took five of those and we flew African American and white testers out to the apartment complexes in these States and we had them make an in-person visit. In three out of five of those investigations, it showed discrimination.

So we found that it is very subtle or very direct on the phone and some of the subtlety when you show up in person gets to be quite serious.

We are in the middle of conducting more testing in three more States. In two of the three States we found another high rate of discrimination. The people again were identifying themselves as relocatees with employment, not low- and moderate-income; fami-

lies with children and looking for housing for which they were qualified.

In sum, I would like to say that if Assistant Secretary Kendrick, whom I believe is a breath of fresh air, doesn't want additional money; if you put additional money into the Fair Housing Initiatives Program I guarantee you that the private fair housing movement can use that money, use it on the ground right now to assist people who are victims of housing discrimination. Thank you.

Chairman NEY. Thank you very much.

[The prepared statement of Ms. Smith can be found on page 113 of the appendix.]

Chairman NEY. On that issue I heard a statement made, I saw it on television last week, where a couple of people had publicly said down in New Orleans that people—they didn't want people back into public housing unless they had a job. Are you aware of this?

Ms. SMITH. Yes, I saw that.

Chairman NEY. Do you consider that to fit under the current law or not?

Ms. SMITH. Well, subsidized housing is not just for people who are employed. People with disabilities will not be employed. And some of the families, as they are coming back, will need housing. I think part of the purpose when public housing was created in the 1930's was to help people who were not employed, who were employed, to have affordable housing. If I have a decent, safe, sanitary place to live, it is more likely that I will have an opportunity to be employed.

I saw that statement, and we have talked about writing to that member of the city council in New Orleans because what he was saying was promoting another kind of segregation against people with disabilities as well.

Chairman NEY. Somebody also—I watched that program and somebody also from the housing authority, I believe—I don't want to misstate here—made the same comment, or somebody involved. It was a lady who came on. I didn't write down the names, but I saw it.

Mr. PERRY. I believe it was a Ms. Moon from the housing authority who is the HUD receiver in charge of the housing authority. It had significant trouble in recent years so it had gone into HUD receivership.

One thing I would add to Shanna's comments, it was a council member named Oliver Thomas who made the point about employment, that it kind of provides this litmus test for who can and who cannot return to New Orleans public housing. About 95 percent of residents of public housing in New Orleans are African American. And so when there are efforts to limit who can return or how many people can return, it substantially has an effect on African American residents of public housing. And that is probably one of the significant ways the Fair Housing Act is invoked, in that regardless of what its intent is, it has a disparate affect on African American residents of public housing there.

Mr. RICH. I would just add the housing authority in New Orleans, still most of the public housing is not open. And there is a great uncertainty about what is going to happen to the public hous-

ing. There is a need for HUD, that is the receiver on this, to make clear what the plans are and get that housing open for the residents who have been displaced 6 months now.

Chairman NEY. Just from the observation of what I saw on the show, it wasn't a potential discriminatory statement of race, it was a questionable statement about potential discrimination on economics of people, of whether you are working or you aren't. This is what people then called into our office and said. This is some of the observations.

And also you have got local, which might have the intent you have to be employed to come back into public housing, but you also have Federal law of where this stands, and can local law be passed on these issues. I just think it does not get into disagreeing or agreeing with the statements; I just think you are seeing the tip of the iceberg, especially in New Orleans, about decisions being made or what people want to do. I just think you are seeing the tip of the iceberg. As places are rebuilt and people come back in, you are going to see a lot more debate, controversy, and also a look at whether this is discrimination or not.

I just think you are seeing, in my opinion, the very beginning of huge debates that will happen.

I wanted to follow up, I think, Mr. Perry, on your comment about maybe having to amend the statute, and it would deal with maybe the Federal Communications Commission. But I was talking to my ranking member from California; we might be able to do some type of amendment and it might have jurisdiction of Judiciary at the end of the day to deal with it because I would assume fair housing would automatically apply to the Internet. It is still fair housing laws. Any further comment on that?

Mr. PERRY. Well, I would assume as well that it would automatically apply. I will take a second and read to you the specific language from the Fair Housing Act. It says: "It shall be unlawful to make, print, or publish or cause to be made, printed, or published any notice, statement, or advertisement with respect to sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on the protected classes."

So there is no doubt that this is the publishing of discriminatory advertising. So in our minds it is very clear that the Fair Housing Act applies to Web site providers. And so it not really, I guess, an issue of whether or not the act applies but it is just that some of these Web sites have tried to say well, even though it would apply, this Communications Decency Act gives us some immunity or may give us some immunity.

The Communications Decency Act particularly applies to defamation and to obscene statements. And so the problem that they are making is that they are saying that discriminatory statements are equal to obscene or defamatory statements. But there is a very important difference between the two. They are very simply not the same. To say that I won't rent to you because you are African American or you are white, is discrimination as opposed to making an obscene statement about someone. I will refrain from giving an example of an obscene statement.

I don't think that it is a great argument but, unfortunately, it is an argument that has been used. And we want to make sure the Fair Housing Act has the staying power that it deserves.

Ms. SMITH. Mr. Chairman, it would be interesting if the Justice Department would weigh in with HUD on this particular issue just because our Assistant Secretary supports it doesn't mean that if it goes through the HUD administrative process and ends up in Federal court, we will need the assistance of the U.S. Department of Justice.

Chairman NEY. I am sorry. Has Justice weighed in on this previously?

Ms. SMITH. No.

Mr. PERRY. But they have brought at least one case that was settled in 2003 against a group called sublet.com. So even though they haven't given official guidance, they have brought cases.

Chairman NEY. You think Congress should contact Justice to ask them to weigh in?

Ms. SMITH. I think it is important.

Ms. MURGUIA. In my longer testimony I cite a case in New Jersey where city officials targeted Latinos and used selective enforcement of building codes to push Latinos out of their city-used Internet chat groups to identify Latino addresses. While that case was settled with DOJ because a city official was caught soliciting addresses online, it shows related ways that the Internet can be used to discriminate, whether it is an ad or people are using it to solicit information that would result in discrimination.

I think there are a lot of issues where I think it is not clear exactly whether that falls directly under the statute, but we ought to get Justice to weigh in and give us their opinion.

Chairman NEY. That is a good point.

The gentlelady from California.

Ms. WATERS. Well, first of all let me thank the panel for being here and let me thank those who were involved in our hearing for following up and forcing us to even really focus a lot deeper on these issues that you are bringing to us. And one of the good things that we have on this committee is a chairman whom I work with very closely; and already, as we are sitting here listening to you, we are describing to each other how we think we can do a number of things relative to enforcement, new legislation, and, as you are alluding to now, getting the Justice Department involved in some of these issues.

I did have a few questions that I wanted to ask and I have got to think a little bit deeper about some of the testimony that has gone on here today. You heard me when I attempted to engage in some discussion with the representative from HUD about CDBG, and I am worried that low- and moderate-income people are not going to be taken care of properly unless we pay more attention to what we authorized and what is being done or what is intended with these CDBG funds.

Would you restate for me—because I just had a little side conversation with Mr. Clinton—please restate for me what you said about what you understood about what was happening in Mississippi with CDBG plans.

Mr. RICH. The CDBG supplemental language said that 50 percent of the CDBG should go to the benefit of low- and moderate-income people. There was a provision that this could be waived by HUD for compelling reasons not defined. Since then, the Governor of Mississippi has gone forward and proposed a plan that isn't finalized which, first, leaves out any renters. The plan for CDBG is focused primarily, if not wholly, on homeowners who were in flood areas that were not Federal floodplains; which is a great need, there is no doubt about that.

But what is left out, and which is quite disturbing, is that it only covers those homeowners who are insured, have insurance.

Ms. WATERS. This is what I wanted you to repeat.

Mr. RICH. I think Derrick Johnson can follow up on this. But if you are not insured and even though your house was flooded, my understanding of the Governor's proposal at this point is that you are not eligible for the grants under the CDBG plan. This is obviously a big impact on low-income people. And I know that Derrick—and he should really answer now—has been working on that issue in Mississippi. So let me turn it to him.

Ms. WATERS. Please.

Mr. JOHNSON. The Governor's plan is in effect a retroactive flood insurance plan. It would provide insurance coverage using CDBG funds up to \$150,000 for individuals who lived outside of the floodplain, had regular insurance but didn't have flood insurance. If you did not have regular insurance, you would not be covered. If you did not own your home, you could not be covered. If you did not occupy the home you owned, you could not be covered.

So in effect, it would eliminate individuals who were on fixed incomes, who owned their home but couldn't afford insurance. We are finding that the category of individuals more often are senior citizens who have owned their home for a number of years but are on Social Security. We had a gentleman, 84 years old; he owned his home for over 40 years and received just over \$600 a month in Social Security benefits. He hasn't had insurance in over 20 years. He cannot afford it. He is not covered.

You have individuals who are home renters. Because the supplemental appropriation took out the requirement for one-to-one replacement on home rental units, there is no requirement to replace affordable rental units, so that whole population is taken out.

Under the proposed plan by the Governor, you must build to the international building code standards but that would inflate the price, so even the homeowners who owned, say, a \$60,000 house, they could only get the fair market value of the house pre-Katrina. They get \$60,000, but to build to the new codes it may cost \$80,000. That is an additional hardship for low-income homeowners.

Another hardship for individuals is in the disability communities that would have to build to the new building standard, but they also have to have their homes fit for whatever type of ramping equipment. There is no provision in the funds to provide anything for them.

Out of the \$5 billion that has been granted that Mississippi will receive, \$4 billion will be used for this program to cover 35,000 households.

Ms. WATERS. Yes.

Mr. PERRY. We had the opportunity, Joseph Rich and myself were able to meet—we were able to meet with Secretary Jackson a few weeks ago and we raised that very issue. We talked about the Governor's plan in Mississippi and we said, we are concerned that perhaps it may not meet the requirement that it assist 50 percent of people who are low to moderate income, at least 50 percent of the funding.

What he indicated was that he intends to give wide discretion to Governors and to their plans. He also indicated that he felt the Governor's plan was right on point and right on target. He felt it was an excellent plan, the plan in Mississippi.

A point that I specifically raised with him was that I thought the plan didn't do enough for renters, particularly for low-income renters. And he said well, you know, my issue is that—is that I don't want to help landlords. I am not in the business of subsidizing landlords.

So I proposed a few ways that I thought that he could assist renters and perhaps not end up subsidizing landlords. He said that he would consider them, but I guess my overall feeling from the meeting was that the way the plan is right now is the way that it is going to go forward. And I think, as a matter of fact, Joe raised the issue of what happens when they come up against this requirement; and what came out is that HUD has the ability to waive the requirement with compelling reason, and that because they tend to give folks wide discretion they may, in fact, waive the 50 percent requirement if they have to, particularly since they think the Governor's plan is a good plan.

Ms. WATERS. Did we write into the authorization that the Governor could waive that 50 percent requirement?

Mr. JOHNSON. In the authorization—

Ms. WATERS. I would like our people to hear this.

Mr. JOHNSON. The authorization gave the Secretary of HUD to, upon request from the Governors of the State, to waive the requirement.

Ms. WATERS. The 50 percent requirement.

Mr. JOHNSON. Prior to the 50 percent requirement there was a 70 percent requirement. So the supplemental reduced it from 70 percent low and moderate to 50 percent, and then gave the Secretary of HUD the discretion, upon request, to reduce it even further.

Ms. WATERS. Wow.

Mr. RICH. The final decision is with HUD though.

Ms. WATERS. Has a request been made by the Governor in his plan?

Mr. JOHNSON. The Governor has not submitted his plan. HUD just published in the Register the appropriations for each State last week. We are waiting for the Governor to first submit the waiver; from there, to actually submit his plan. He is coming under some pressures in the State, including the bill that we had filed that would allow the State legislators to have input in any CDBG funds. So it looks like he is becoming more flexible, but we are dealing with a Governor who typically appears to be flexible on one end,

and end up doing exactly what he wants to do. We believe he is going to request a waiver, and if it is requested, it will be granted.

Mr. RICH. I would just add one point to this. The standard for the waiver is compelling needs. It seems to me that should be a very high standard, because if this 50 percent is waived, low-income minority people are not going to be helped; and that raises this whole Fair Housing Act issue of affirmatively furthering fair housing in spending Federal funds.

Ms. WATERS. Well, let me just say that that certainly was not my intent when I supported the CDBG authorization and so not only am I going to activate other members who certainly did not intend for that to be waived in any shape, form, or fashion, but I think that we also ought to look at some opportunities by which we fix that in law and basically amend the authorization in some way. So we will be taking a real, real fast-and-quick look at what we can do with that quickly because this is moving so fast.

Let me suggest to those of you who worked so hard at all of this that you have raised some questions about several things that I think a coalition of advocates should consider. One is if FEMA has been recommending sites on the Internet that are having discriminatory messages on it, we should think about a lawsuit against FEMA. We should think about—

Mr. RICH. One of the complaints that was filed with HUD through the Greater New Orleans group was a Web site that FEMA was associated with, and the notice did go to FEMA. FEMA has claimed that they are taking steps to protect against that type of advertising, but they also are claiming they are immune from this kind of lawsuit.

Ms. WATERS. That is okay. They can claim that they are immune, and they may be, I don't know. But I think that the advocates can certainly look at it and see.

The other thing is, even on the Governor's plans—and I am going to work as quickly and as hard as I possibly can to deal with that—it seems to me if it looks as if Mr. Jackson, who will be coming before us pretty soon, I hope, is going to allow these waivers, that we need to think about filing injunctions against the implementation of those plans to frustrate their ability to move forward in the way they want, while we are working up here to try and fix it.

So I would just like for you to think about some additional ways by which we can be working to make sure that they don't easily disregard low- to moderate-income renters in moving forward with those plans. We may not have the ability to stop Mr. Jackson from offering waivers. We don't know that he is going to do it. But based on the conversation you are sharing with me, it sounds as if he is poised to do that, and it may be that there is some explicit language in the authorization, I don't know, that says that he can do that. But I think it would be worthwhile to talk about filing injunctions if they move very quickly to do things while we are trying to get this done.

Mr. JOHNSON. We believe under the Fair Housing Act it is de facto discrimination because it would adversely affect African Americans and Latinos at a disproportionate rate to other Mississippians.

The other part of this is that even if the plan goes through, you have the banking industry that will probably take advantage of low-income homeowners because the checks will be made out both to the homeowner and the bank. And we are also trying to get a consumer counseling process so homeowners understand their rights, once that check is written, that they don't have to turn over all the proceeds to the bank to cover the mortgage; they can use the money to rebuild their home and maintain the mortgage relationship they have with the bank. So that is another outcome that we are concerned with, with the high land speculation that is taking place on the Mississippi Gulf Coast right now.

Ms. WATERS. So we will be in touch with you to help us refine the language that we may use to try and see if we can't move something through here that would correct that. I don't know that we can, but I am certainly willing to try. And thank you very much

Chairman NEY. Thank you. The gentleman from Texas.

Mr. GREEN. Thank you again, Mr. Chairman, and Madam Ranking Member. I would like to also thank each member of this panel. You truly have enlightened us greatly today. And I compliment you because you represent an underserved constituency. Here in Congress it seems that the well-off, the well-to-do, the well-heeled, they do well in terms of receiving representation. It is the least, the last, and the lost that we find are underrepresented. And I thank you for what you do to help those who but for you might not receive help at all because of the information that you bring to us.

Let me go back to the comment that was made by Mr. Johnson, I believe, about the fixed income homeowners who do not have insurance, not benefiting from the \$4 billion. Is that a correct statement, Mr. Johnson?

Mr. JOHNSON. That is a correct statement. Under the Governor's plan, he only expects provision for the CDBG funds for home ownership. And those plans were based on the belief that the mission was going to receive \$4 billion in CDBG funds. Now that we know we are going to receive \$5 billion in CDBG funds, I understand there is an ongoing discussion about some of the utility companies being able to use those funds to recoup losses. And that would be a way to benefit low- and moderate-income individuals because they would not have to increase rates.

So as of today, I have yet to hear of any proposals by the Governor to provide any support for low-, or moderate-income individuals, specifically individuals who are homeowners without insurance.

Mr. GREEN. Just to comment, I remember, if my memory serves me correctly, that with 9/11, when we did the right thing and gave families millions of dollars, I just don't recall us having this type of means test that would ultimately lead to only those who have been receiving. I am hopeful that our ranking member and the chairman will help us to find a means by which this can be addressed.

I support them and will do what I can to assist you in this effort as well.

I want to talk a bit about the testing, because my belief is that we don't do enough testing. Testing appears to be the only empirical data that we can use to validate that discrimination exists.

And it seems to me that we have just enough for us to continue saying there is something wrong but not enough so that we can say without question, reservation, hesitation, or equivocation that we need to go to a next level with this whole testing process.

Tell me first, how difficult is it to get the grants to do the testing?

Ms. SMITH. Well, they are competitive grants through the Fair Housing Initiatives Program. Currently, it is the first time that HUD's Office of Fair Housing is allowing some of the fair housing groups to get a 3-year grant rather than having to apply every year and wonder if you have the money.

The grants are not necessarily used to just do the independent testing that we do. It is really used in response to complaints that come into your office.

So you have these fair housing groups that maybe have three, possibly four staff people, who are responding to rental, sales, lending, insurance, racial and sexual harassment complaints in their community, and then still trying to get a handle on what is the nature and extent in your area?

In places like the D.C. area, the fair housing group has been around a long time. So linguistic testing doesn't show much. You actually have to go and apply for an apartment because they have learned not to turn you down over the phone or to actually often lie to you about availability. It has to go through the application process. That is more complex testing. That is just in the rental area.

If you deal with home sales, many real estate agents who do the right thing do show people a lot of neighborhoods to look at. Those who don't follow the law will simply just steer you to homes in the neighborhood where your race predominates. And most of us, if we are out in the housing market, trust our real estate agent to show us properties that are within our price range.

In the lending arena, it is much more difficult. To do testing, you actually have to have a person's true identity and fill out an application. But on the lending application, it says, if you provide any false information that that is a felony. So we have actually only done one full lending application ever in the country and that was in Lima, Ohio, and we had real people do that.

With homeowner's insurance we have been testing them, and we have made some changes with those companies so that people can get the best coverage. But now with homeowner's insurance credit scoring is an issue. So there is a way to reject people. So some of that my colleague was talking about in Mississippi, if you are a senior and you don't have a good credit score, you may simply be turned down for homeowner's insurance, not that they didn't want to buy it but they weren't even eligible because of their credit score.

Mr. GREEN. Quickly permit me to ask this. When you have a clear-cut case of discrimination as a result of your testing, what is the next step? What happens after that?

Ms. SMITH. Most fair housing groups will file a complaint starting with their State or local agency or HUD. If that process is moving swiftly, they will continue in that process. If it is not, then many of us just file directly in the Federal District Court.

We often use the HUD administrative process first because when you have clear-cut strong testing, if you can get the parties to the table and they see and you share some of your evidence with them, good lawyers on the other side will say they caught you, you need to settle.

Most cases that go to trial are those where either the testing is strong but the defense says I think I can beat this, or it is a disparate impact situation where we are showing that people with disabilities or people with color are harmed more than whites are in that particular situation.

Mr. GREEN. With respect to the testing and lending, do you have some language that we might borrow that might advise us and help us to hopefully eliminate this loophole that seems to exist?

Ms. SMITH. Yes. We actually brought this up in the early 1990's when we were doing a lot of lending testing, and it would simply be because the tester is not trying to defraud the lender. We are just trying to see what terms and conditions a loan will be made on. And if there were language there saying something about testers are excluded from this felony part because we are not trying to defraud the bank of money, that would open up the floodgates for us to do a lot of lending testing throughout the United States.

Mr. GREEN. I would welcome the opportunity to review the language and if you could pass it on to our office I would appreciate it.

Mr. Perry.

Mr. PERRY. Representative Green, you know, this is something that Shanna made me realize a few years back with the funding program. You know, there is funding for what is commonly referred to as FHIP, Fair Housing Initiative Program, which funds agencies like mine. And then there is the FHAP program, Fair Housing Assistance Program, which assists State and local agencies that enforce fair housing law.

The reason why I want to give you the difference between the two is that the State organizations do not do testing, while the programs that get Fair Housing Initiative Program funding do the testing. And so the very evidence that is necessary in order to enforce the fair housing law only comes forth through the work of the private nonprofits who get the Fair Housing Initiative Program funding.

My point is that when HUD funding levels come to you and you are looking at the HUD fair housing programs, it is important to make sure that the FHIP program gets significant funding, and perhaps even more funding than the fair housing, than the FHAP program. And the reason is that if you are going to have any success in any of the other programs, it is all dependent upon whether or not there is enough money for the FHIP nonprofits to do adequate testing and to actually run their programs.

One last thing that I would say about that is that these are private nonprofits, often very small. My organization only has—well, before the storm we had four staff members. Right now we have two because we lost folks as a result of the storm.

Any point in time that an organization isn't funded through this HUD program, through this Fair Housing Initiative Program, it could cause the very end of that program. As a matter of fact, there

is a coworker of mine in Texas right now who has had some difficulties with funding through the program, and it has caused great problems for him to keep the organization operable.

And so one issue is that there has to be consistent funding. And it has put forth a new effort to make sure that groups can get 3-year funding. But we want to make sure that is a consistent thing that groups are able to ensure that they are always going to be there to fight housing discrimination and to do the testing that is required in order for HUD or for the other State and local agencies to enforce fair housing law.

Ms. SMITH. If I might add, they are only getting about \$250,000 a year. So imagine that for the City of New York or the City of Houston. You have to pay rent, you have to pay salary, you have to pay benefits, you have to pay for your testing program. It is so minuscule. This is why we are not making a dent in housing segregation and discrimination in America because we haven't had the financial commitment from the Federal Government to fund true education and enforcement nationally.

Mr. GREEN. In that last appropriations package I think we had some \$45-, \$46 million in fair housing. What portion of that went to the Fair Housing Initiative Program as opposed to the Fair Housing Assistance Program, if you know?

Ms. SMITH. About \$20 million. And about \$11- or \$12 million of that went to just enforcement. But you have to understand under the education that money opens up to anybody, a university can get it, a community group can get it. People with literally no fair housing enforcement experience get education money.

So in the past when the program was created in 1988, Congress and the White House said, we are going to give these fair housing groups both education and enforcement money so that they can educate the community about the problem, they can enforce it, and then they can reduce the amount of discrimination.

Now, the money has been just spread out so thin that an enforcement agency—these fair housing groups apply for the enforcement money. They may ask their city for some education money. But it is just not being utilized in the most efficient way that it could be.

And if we went back to the way the program was set up as a pilot program—actually it was President Reagan who pushed the program through, and Congress who supported it. If we went back to the way it was originally established, I think you would be able to see measurable results in desegregation and fair housing enforcement in the United States.

Mr. GREEN. I have one more question and the chairman has been more than generous with his time. But I do want to ask about the impact that these—that knowledge of testing has on discrimination.

Have you found that there is some deterrence if it is widely known, if it is pervasive, that people are testing and that you can be caught?

Ms. SMITH. Yes. In the cities where there are always ongoing testing programs, like here in the D.C. area, you see the rate of discrimination lower. In D.C., they are finding maybe about a 40 percent rate of discrimination when they do their audits, which means

they just send testers out. In other parts of the country, that rate of discrimination is usually 75 percent.

So when you have a strong education and enforcement component in a community, you see a reduction in blatant discrimination. Now, it means that we have to pierce further into the system to find out if it is continuing in the application process, but we have seen reductions.

Mr. GREEN. How—can you tell me how we can say to people that eliminating this kind of discrimination saves money? Can you make that connection for me?

Ms. SMITH. Oh, yes, yes. If you look at what segregation does to a city and what it does to city services, education, and employment opportunities, you can see how much we have lost.

It is like when we were talking about the public housing. Yes, you should have working people in public housing. You should have racial and economic integration in a community. We look at the education system, and if you see the white flight from the 1940's, 1950's, and 1960's, you can look at the core cities, and then you saw middle class black flight from communities as well, because real estate agents were not marketing those communities and they were preying upon people's fear of integration to push property values down, which then reduces the tax base, which reduces the money for education, which reduces money for city services, and anybody who can afford to tends to move.

If we had enforcement, if we had the lenders who were redlining back then, and the insurance companies who were redlining, if we could curtail that activity we would see people moving back into cities, not in a gentrifying way but more in a way where you have racial and economic integration and people wanting to live with each other because it is a good thing to do, not fear of crime, not fear of poor educational systems that are available.

We have wasted so much money. And if you look at the check cashing companies that opened up, if the lenders were in that community, there are billions of dollars in the low- and moderate-income communities that are being exploited by title companies, the car title things that they have in Florida and the check cashing companies. There is such a change we could make in this country if we would put money into fair housing. You wouldn't have to be so concerned about voter education, voting rights, or school desegregation because you would have integrated communities, and people would be electing you or going to that school or liking you based on your character, not your race.

Mr. GREEN. Thank you very much. I appreciate your comments.  
And thank you, Mr. Chairman.

Chairman NEY. Thank you. The gentlelady from California, Ms. Lee.

Ms. LEE. Thank you, Mr. Chairman. Thank you all again for being here. I am sorry I didn't hear your testimony, but I have had a chance to look over it and I want to thank you very much again for being very clear and succinct and giving us specific recommendations on what we need to do.

I wanted to ask you a couple of things with regard to the Assistant Secretary's response just in terms of how you see what is taking place in the region.

We heard from Mr. Campbell, whose question with regard to approximately 100 complaints had just about been filed given the numbers of individuals who have been displaced, how do you—how do we reconcile just 100 complaints at this point given your testimony and what we learned when we were in the region?

Mr. PERRY. Well, I think there are a few things. The first is really about the way that people perceive discrimination in that sometimes a person can be discriminated against and have no idea that they have been a victim of discrimination.

In 2003, I opened a fair housing center on the Gulf Coast of Mississippi, and when we first opened we did an investigation of housing discrimination there. And we sent a tester to—an African American tester to an apartment complex on the Gulf Coast. And he was told that the rent was going to be \$600 a month. And the person there was extremely nice to him, and so he thought there was a great opportunity. He came back and gave me personally his report, and I frankly, and he also thought there was no discrimination at that complex.

We sent our white tester about 20 minutes later, went to the same apartment complex and our white tester was told that the rent was \$400 a month, significantly less than the African American tester had been told. And once again the landlord was very, very nice and very, very accommodating.

And so, what is interesting there is that about 5 days later the tester came back to me and said, hey, you know I am actually looking for housing myself and I really liked that apartment on the Gulf Coast, and I want to know since we are done with testing can I go back and rent that very apartment. And we usually don't tell our testers the result of the process. We don't tell them whether or not they have been a victim of discrimination. But I had to tell him. I had to tell him that, hey, this woman offered you this apartment at \$600 a month and it is the exact same apartment that 20 minutes later she offered to the white tester that you met a few days ago who is no different from you but for the fact he is white and it is going to be \$200 more for you than it was for this person. Very blatant, very straightforward discrimination.

My point is that he would not have known if he were not a tester, and it really goes to and speaks to the importance of the testing program, the importance of the work that we do. If we can't test these cases, a lot of times we don't know if there has been discrimination. Usually it is really a feeling or a hunch that a person has.

I will give you one more example like that, and it is not particular to the Gulf Coast but I think it really makes a point. A friend of ours whose husband was looking for housing and she was looking for housing, they were getting a divorce and they had a son who was bilingual. And this is here in D.C. The husband was Hispanic. The mother was white. And she calls an apartment complex here in D.C., and finds out that there is an apartment available for rent, several apartments as a matter of fact. And so, she says, well, these apartments are too big for me and more than I want to pay but it would be great for my husband. She refers them to her husband. He calls. He has a Latino accent. And right away they say nothing is available.

And so he calls his wife, about to be ex-wife, and said why do you put me through all this stuff, I know we are getting divorced but you know you don't have to waste my time and have me looking at thee apartments. And she says, no, I just called and they said this apartment was absolutely available.

So she calls back again and she finds out well, wait, they tell her again that the units are available. So she suspects obviously that discrimination has happened. She contacts the National Fair Housing Alliance. Within a few days they are at the table with a leading civil rights attorney and they are settling the case. And it is only because they both called and they were able to compare what happened that they were able to determine that there was housing discrimination.

And so that is an important anecdote that comes up, is that it is only when you are able to compare what happens, are you able to determine that it is housing discrimination.

So I think a lot of times people in the Gulf Coast and elsewhere go out and look for housing, and they have that feeling that something funny is going on, but the only way to prove it is with support from agencies like ours. And so I think that that is what happens and that speaks a lot of times to that 100 complaint number, is that people frankly don't know many times they have been victims of discrimination.

Ms. LEE. And then that begs the question in terms of just the trauma and the confusion and all of the stuff that comes with being displaced and being lied to and being jerked around. You add that to not knowing, and then HUD, I mean, with 30 people in the region, I just can't imagine how people are being informed and being educated and being taught about their rights at this point.

And I would hope—and you heard again what the Assistant Secretary said, 30 people in the region. She thought that the budget was adequate and that this was enough. I can't imagine that given the population of people that have gone through this that 100 complaints reflects, that 30 people are going to be able to service and look out for the rights of those people who have been displaced.

How do you see that 30, the staff there, and their role in their job?

Mr. PERRY. I have been privileged to meet with the Assistant Secretary a few times since she has taken office, and I would submit a few things, that, you know, she inherited an office that was perhaps very different than the vision that she has for the office and she has only been in her position for 4 months at this point. And so I don't offer that as a defense or as an explanation, but I think that that contributes to the response.

But I have been able to talk to her, for instance, about stationing folks on the Gulf Coast, and one concern I had was that they are only coming for about 2 weeks at a time. But since then, for instance, she listened to my concern and there are some folks who are staying for as many as 60 days on the Gulf Coast to work on issues. And I have been able to work very closely with them.

I think that what is key to going forward on the Gulf Coast is not really the placement of HUD staff frankly. I think that what is key is supporting the groups that are already there, the fair housing and civil rights advocacy groups that are already there.

And the issue is this. When a HUD staff person comes in from out of state and they have to learn the entire terrain of the Gulf Coast in a matter of only, in a very short period of time, it is very difficult for them to learn everything they need to learn and then aggressively investigate housing discrimination issues, and so it may be better served to give more support to the local agencies.

Now that said, HUD has given some support or allocated some support in the way of, I think, a program called the PIF program, and so we have been allocated some of that funding. We haven't received the funding yet. We are still awaiting it. But there are some other efforts there. But I would agree that there needs to be more.

And to the extent that there can be more funding, you know, one basic issue that I talked about with the Assistant Secretary is that one of the limitations is the amount of funding that is available. You know, I think she commented, and I hope I don't misquote her, that for some of the other HUD programs, there was emergency money in order to send people down to the coast to do work. But when it came to the Fair Housing Initiatives Program or the Fair Housing Education Outreach Program, there wasn't this extra money. It had to come specifically out of the existing budget. And so there wasn't additional money in order to put a great number of staff down there. So I think there has to be more funding for that.

Ms. MURGUIA. If I can just add, your question is extremely on point especially when you think about the number of staff they have down there, but also the diversity of the population. Of course we need to make sure the African American population needs are met. But as you heard in the various testimony there are Latino communities and Asian American communities who have been there for several years, and some who are now coming to the region, and there is a wide mix of needs because of that.

And we have determined, and I have shown, where you know language and cultural competency is really important in those staff, that they be prepared to deal with the diversity of the community and those needs. And quite frankly we don't have any knowledge to know that those folks are really qualified to work with that diversity of the community. And we do know that perhaps those in the Latino community, as you have heard it said before, are often intimidated or otherwise discouraged to file anyway. And so when you add language and social competency issues from those who are down there, it creates another layer.

And again many Latinos and other members of communities of color are also unaware of their rights or unaware that they have been discriminated against. So you wonder if the staffing down there is not only adequate but is really qualified to serve the diversity of the communities that are down there.

Ms. SMITH. We also have to look at the fact that there is only one fair housing center in the State of Louisiana. There is only one in Mississippi. There is only one in Tennessee. There is nothing in South Carolina. There is one in North Carolina, one in Virginia, zero in Arkansas.

It goes like that across the United States—Ohio, California, Wisconsin, and the Chicago area have most of the fair housing centers

in the United States. There is nothing in Dallas. And how many evacuees are in Dallas? There is no private fair housing center in Dallas. The Houston office has two-and-a-half people, and most of the evacuees ended up in Houston.

So unless we can get additional fair housing money for those groups, we are not going to make any progress. You know, if HUD takes the \$11- or \$13 million that is set aside for the whole country for enforcement and retargets some of that just for the Gulf Coast, what have you done to the 64,000 evacuees in the fair housing people in Georgia? You can't take this little pool of money and stretch it any thinner. We need more money for enforcement.

Mr. JOHNSON. Part of the problem in Mississippi—is the only place I can speak for—we don't have a Fair Housing Act. Many people don't understand what their rights are. The HUD Fair Housing Office has been vacant for a few months now, I think about 9 months. The HUD fair housing individuals who come down, they rotate every 2, 3 weeks in. They make the key contact calls to say, are there any problems? And then they leave.

So you cannot sustain any type of ongoing education program, you cannot really do any real testing, and you don't have any real thrust to get at the problem. And you compound that with Katrina, you have a big problem.

Ms. LEE. Thank you and thank you for your response. Mr. Chairman, I hope as we look at this budget moving forward, given the fact that the President's budget is a million less than last year, we need to figure out a strategy in light of Katrina and Rita to bump this up, not only restore these cuts but we need to have a specific increase for fair housing investigation, complaints, and process in terms of compliance with our nondiscrimination laws.

Thank you very much. Thank you, Mr. Chairman.

Chairman NEY. I want to thank all the members for the hearing today and the panelists for your important presentations.

I note that some members may have additional questions for this panel which they may want to submit in writing. Without objection, the hearing record will remain open for 30 days for members to submit written questions, and the witnesses to place their responses in the record.

Again, thank you for your time on a very important issue. We will follow back up with a potential look at some of the amendments.

Yes, Mr. Perry.

Mr. PERRY. I forgot to ask to submit into the record a copy of some of the advertising that we found on Internet Web sites and I submitted that at the previous hearing, but I just want to get it into the record at this hearing as well.

Chairman NEY. Without objection. I think we also have copies. Without objection.

Thank you very much for the hearing.

[Whereupon, at 1:30 p.m., the subcommittee was adjourned.]



## **A P P E N D I X**

February 28, 2006

**Opening Statement**

**Chairman Michael G. Oxley  
Subcommittee on Housing and Community Opportunity**

**Hearing**

*"Fair Housing Issues in the Gulf Coast in the Aftermath of Hurricane Katrina and Rita,"*

**Tuesday, February 28, 2006**

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Thank you, Chairman Ney, for scheduling this important hearing today on *"Fair Housing Issues in the Gulf Coast in the Aftermath of Hurricane Katrina and Rita."* I want to commend you and Vice-Chairman Miller on your leadership on these issues.

The events surrounding the late-August and early-September hurricanes in the Gulf Coast region have captured the attention of the American people, including this Committee. This Committee has held numerous roundtables, hearings and briefings so that Members, staff and the public can better understand all the issues surrounding the events of Hurricanes Katrina and Rita. In fact, the Housing Subcommittee held the first Congressional hearings in Louisiana and Mississippi, reviewing the housing issues that the Federal government will need to consider in the next few years.

There is no doubt that the devastation is extraordinary and that millions of lives, in and outside the Gulf Coast region, were significantly impacted. One of the most immediate and obvious issues is that of housing. It is unimaginable what families must endure after losing their homes in a sudden natural catastrophe. The January 13, 2006 field hearing in New Orleans highlighted some experiences and practices that could violate the Fair Housing Act.

Today's hearing will focus specifically on fair housing issues, emphasizing the role the Department of Housing and Urban Development and individual groups have in insuring that relocation for temporary or permanent housing for these evacuees is fair and legal.

I think all my colleagues agree that a major tenet for which this country stands is premised on equal opportunity and fairness. To the extent that this Committee can highlight patterns and practices that impede fairness and equal access to housing, government, private and non-profit sectors will be encouraged to adequately monitor and correct violations of current law.

Chairman Ney, once again, thank you for your leadership on this issue. I look forward to hearing from the witnesses and working with you on this issue.

**Opening Statement of the Honorable Bob Ney  
Chairman, Subcommittee on Housing and Community Opportunity**

**Hearing on**

**"Fair Housing Issues in the Gulf Coast in the Aftermath of Hurricane Katrina  
and Rita"**

**Tuesday, February 28, 2006**

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The Housing Subcommittee meets this morning to discuss recent fair housing issues in the Gulf Coast related to Hurricanes Katrina and Rita.

The events surrounding the late-August and early-September hurricanes in the Louisiana, Mississippi and Texas have certainly captured the attention of the American people, including this Committee. The Housing Subcommittee and the Financial Services Committee have been at the forefront of the hurricane relief efforts with numerous hearings and multiple briefings, with approximately 80 witnesses participating. In mid-January, the Housing Subcommittee held the first post-hurricane Congressional hearings in Louisiana and Mississippi, reviewing the housing issues that the Federal government will need to consider in the next few years. In addition, this Committee has shepherded needed relief legislation to the House floor in the recent months following this disaster that will affect not only families in the immediate hurricane-ravaged areas, but those families forced to suffer the aftermath due to flooding.

As the thousands of hurricane evacuees in the Gulf Coast begin the process of looking for permanent housing, the Federal government must do everything in its power to protect the right of households to obtain the housing of their choice. The January 13<sup>th</sup> and 14<sup>th</sup> field hearings in the Gulf underscored some experiences and practices that could violate the Fair Housing Act. I look forward to working with HUD and the other relevant enforcement agencies to ensure that these families have equal access to the housing opportunities they need to rebuild their lives.

It is my hope that today's hearing will give the members of this Subcommittee a unique perspective on fair housing issues and on what steps HUD and individual groups take to ensure that relocation for these evacuees is fair and legal.

Fair housing and enforcement work best when people know their rights. To the extent that this Committee can highlight patterns and practices that impede fairness and equal access to housing, government, private and non-profit sectors will be encouraged to adequately inform, monitor, and correct violations of current law.

I would like to thank all of our witnesses for taking the time to appear before us this morning and I look forward to an important discussion and debate on this issue.

**TESTIMONY OF DERRICK JOHNSON, STATE PRESIDENT MISSISSIPPI NAACP**

Housing Subcommittee on Housing and Equal Opportunity

February 28, 2006

Chairman Ney, Ranking Member Waters, and members of the Committee, I would like to thank you for inviting me to speak with you today about the Fair Housing issues facing the Mississippi Gulf Coast. Founded in 1909, the NAACP is the nation's oldest and largest civil rights organization. The Mississippi State Conference NAACP has been active in providing Civil Rights advocacy for over 60 years and has a mission to ensure the political, educational, social and economic equality of rights of all persons and to eliminate racial hatred and racial discrimination.

Shortly after Katrina hit the Mississippi Gulf Coast, the MS-NAACP received calls alerting us that predominately-low income and African American neighborhoods were not receiving aid from the Red Cross and other relief agencies. Days after the storm came ashore, food, clothing and cleaning supplies donations piled up in parking lots of white affluent neighborhoods. But it took weeks for private relief agencies and FEMA to establish a presence in poor and African American neighborhoods. MS-NAACP responded by soliciting and coordinating donations of food, water, clothes and cleaning supplies. We organized the logistics of distributing these donations to ensure that they reached the neediest. Our Katrina relief efforts served at least 50,000 affected residents.

On January 9, 2006, MS-NAACP held a State Legislative Gap Analysis Convening gathering stakeholders discussed state housing public policy Pre-Katrina and identified potential policy gaps in preparation for the 2006 legislative session. Participants included local and national housing experts, state and local advocacy groups, legislatures, and community stakeholders. As result of this convening we identified several policy gaps that would lead to ongoing housing discrimination for African-American and low income individuals.

The Governor's Commission Report, of which I served as a Vice-Chair, included preliminary data on housing damaged by the storm and noted that, although all people

**TESTIMONY OF DERRICK JOHNSON, STATE PRESIDENT MISSISSIPPI NAACP**

Housing Subcommittee on Housing and Equal Opportunity

February 28, 2006

were struck by the storm, lower-income households were more likely to lose their homes, due to a greater likelihood of living in older properties.

The storm has further eliminated affordable housing on the coast. And a wave of evictions and rent gouging threatens to exacerbate the displacement of low- and moderate-income families from their coastal communities. We have already seen eviction cases clogging the justice courts, and TV news stories covering tenants in low-income developments threatened with eviction to make way for higher rents.

Additionally, low- and moderate-income homeowners in some communities face fights with their insurers to receive coverage, or receive settlements adequate to make needed repairs.

And while these problems face all low- and moderate-income owners and renters, they are of particular concern to African-American communities – particularly historic coastal communities like the Turkey Creek, North Gulfport and Forest Heights communities in Gulfport, and in East Biloxi – that were already dealing with decades of exclusion and disinvestments before the storm.

If the housing problems faced by these groups are not addressed, we fear that the storm and the government's response may permanently displace a large number of African-American and lower-income people. We fear that those able to stay and return will no longer recognize their communities, as gentrification pushes people of color out.

*Fair Housing:* Mississippi does not have a Fair Housing Act resulting in housing discrimination going unchecked in many instances. Housing discrimination can be subtle – and all too often goes unreported since the victims may not even know they are being discriminated against – they are simply told a house or apartment has already been rented, or offered a different rent than other applicants. Importantly, the lack of

**TESTIMONY OF DERRICK JOHNSON, STATE PRESIDENT MISSISSIPPI NAACP**

Housing Subcommittee on Housing and Equal Opportunity

February 28, 2006

state and local fair housing agencies means that victims of discrimination are also not aware that there are options to enforce the law, or lack the resources to do testing or otherwise investigate claims of discrimination. A state law creating these enforcement and testing agencies, funded by either state or federal money, could make a tremendous difference in making prospective buyers and renters aware of their rights – and owners aware of the law.

CDBG: As you are aware, in December 2005, Congress provided Mississippi with over \$5 billion in Community Development Block Grant (CDBG) funds. Because of the discretion provided to states, however, there is no guarantee that any of the housing funding will be used in ways that benefit low- and moderate-income homeowners, or that do anything to create or rehabilitate rental housing affordable to the poorest and most vulnerable families displaced by the hurricane. Nor does the proposed plan make any provisions for individuals with disabilities. This would be the greatest tragedy and example of housing discrimination of all – especially since the Governor's Commission Report identifies both as significant needs since Katrina.

**THE MOST VULNERABLE COAST RESIDENTS WILL BE EXCLUDED**

Under the Governor's proposed plan homeowners who meet the following criteria, will be eligible for grants of up to \$150,000:

- 1.) Owner-occupied Homes
- 2.) Home must be outside the flood zone
- 3.) Home must have had regular homeowner insurance before Hurricane Katrina
- 4.) No Flood insurance

The Governor's plan fails to provide support for senior citizens who may have owned their home but were on a fixed income (i.e. social security) and could not afford

**TESTIMONY OF DERRICK JOHNSON, STATE PRESIDENT MISSISSIPPI NAACP**

Housing Subcommittee on Housing and Equal Opportunity

February 28, 2006

insurance, senior citizens who lived in an affordable housing complex, home renters, or residents that lived in an affordable or subsided housing complex that was destroyed

The CDBG funds do not, however, need to be used in the manner the Governor proposed. Though the federal appropriation must be administered by an entity chosen by the Governor of each state, nothing in federal law requires that the funds be spent on any particular program. We strongly believe that the funds should prioritize those most in need and that the Secretary of HUD should not waive the 50% requirement that funds support low- and moderate-income individuals. Not only is that requirement already reduced from the 70% normally required of CDBG funds, it ignores the disproportionate funds and resources – such as the SBA loan program – that already benefit middle and upper-income households, but have rejected lower-income homeowners at staggering rates.

**HOMEOWNER COUNSELING SHOULD BE REQUIRED TO PREVENT PREDATORY PRACTICES**

Even under the Governor's proposal there is great concern that low-income homeowners will be disadvantaged without mandatory Homeowner counseling. For those who are eligible for the homeowner grant the process will occur in the following manner:

- A private entity will determine eligibility for receipt of CDBG funds under the direction of Mississippi Development Authority
- Those who are deemed eligible will receive a check up to \$150,000
- The check will require two signatures, one from the homeowner and one from the lender that holds the mortgage
- Homeowners will have the option to "opt out" of homebuyer / construction counseling

**TESTIMONY OF DERRICK JOHNSON, STATE PRESIDENT MISSISSIPPI NAACP**

Housing Subcommittee on Housing and Equal Opportunity

February 28, 2006

**POTENTIAL ISSUES:**

- 1) What consumer protections are in place to ensure that banks will work with their customers to do what is best for the customer and not best for the bank?
  - o i.e. paying off the mortgage with no funds left to rebuild
- 2) What consumer protections will be put in place to prevent predatory lenders from stripping the equity out of homes that are paid off through this process through refinance schemes?
- 3) What protections will be in place to prevent unscrupulous or fraudulent contractors from taking tax payer money out of the hands of those who need it to rebuild?
- 4) Rebuilding must now meet stringent codes – how will the disabled be able to rebuild to code?
- 5) No provision for renters and the majority of renters are people of color

**PROPOSED RECOMMENDATIONS:**

- On the first three issues, a strong, funded counseling component that informs check recipients of their rights and consumer protections and identifies eligible uses for the funds;
- On the second two issues, money must be set aside to ensure that the rights of people with disabilities are not violated through inadequate program design and that affordable housing is replaced on a 1:1 basis.

**TESTIMONY OF DERRICK JOHNSON, STATE PRESIDENT MISSISSIPPI NAACP**

Housing Subcommittee on Housing and Equal Opportunity

February 28, 2006

- The Secretary of HUD should not waive the 50% requirement that funds support low- and moderate-income individuals, and should require that state plans for using the CDBG funds demonstrate how they will adequately address the needs of all groups affected by the hurricane.

WRITTEN STATEMENT OF  
ASSISTANT SECRETARY KIM KENDRICK  
FAIR HOUSING AND EQUAL OPPORTUNITY  
U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



HEARING ON  
FAIR HOUSING ISSUES IN THE GULF COAST IN THE  
AFTERMATH OF HURRICANES KATRINA AND RITA  
BEFORE THE  
HOUSE SUBCOMMITTEE ON HOUSING AND  
COMMUNITY OPPORTUNITY  
UNITED STATES HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2006

Chairman Ney, Ranking Member Waters, and Members of the Committee, I appreciate this opportunity to share with the Committee how HUD has been helping secure the fair housing rights of displaced Gulf Coast residents as they seek new housing.

My name is Kim Kendrick. I am the Assistant Secretary for Fair Housing and Equal Opportunity at the U.S. Department of Housing and Urban Development. I oversee the federal government office with the primary responsibility for enforcing the fair housing laws of the United States—most notably Title VIII of the Civil Rights Act of 1968, as amended (also known as “the Fair Housing Act”). The Fair Housing Act prohibits discrimination in housing and housing-related transactions on the basis of race, color, national origin, religion, sex, disability, or against families with children.

President Bush nominated me for this position on June 30, 2005. Between that date and my confirmation by the Senate on October 7, 2005, Hurricanes Katrina and Rita hit the Gulf Coast, displacing hundreds of thousands of residents.

Two days before Hurricane Katrina reached landfall, HUD Secretary Alfonso Jackson assembled a team that would be ready to respond to housing needs that he anticipated would arise in the aftermath of the hurricane. That team, called the HUD Recovery and Response Center, drew on employees from all HUD program offices, including HUD’s Office of Fair Housing and Equal Opportunity, or FHEO.

While HUD typically is not a first responder in the event of national emergencies and natural disaster, Secretary Jackson’s response to Katrina was immediate. HUD staff was on the ground in Louisiana, within days, to assist with the housing relocation effort.

We saw, like the rest of the world, that a disproportionate number of those persons with no place to go were poor, African-American, and people with disabilities.

In particular, HUD’s Office of Fair Housing and Equal Opportunity (FHEO), anticipating possible housing discrimination as large populations of African-American and other minority residents relocated to surrounding communities, immediately dispatched staff to Baton Rouge to work with the Federal Emergency Management Administration (FEMA) in the Disaster Recovery Centers.

FHEO’s General Deputy Assistant Secretary and Deputy Assistant Secretary for Enforcement and Programs both made visits to Baton Rouge within the first two months. FHEO has maintained a staff presence of three to five persons in Baton Rouge since September. This is in addition to the dozens of other HUD personnel who have also been on the ground, assisting and advising FEMA since the beginning. We have also increased our presence in Mississippi, and HUD has always maintained an office in Houston, where the greatest number of hurricane evacuees have relocated.

So after I was sworn in on October 13, 2005, I saw it as my responsibility to make sure that HUD does all it can to protect this population from unlawful discrimination as they search for new housing.

That means: making sure people know their rights; actively enforcing the law when we learn about violations; and working with the housing industry to prevent such discrimination in the first place.

From the start, most of the complaints that HUD received from the Gulf Coast region alleged discrimination against African-Americans as they sought new housing. In general, the on-site staff was able to address these reports of discrimination directly, on account of being present in the community.

Staff provided on-site assistance on disability-accessibility issues or advised a landlord they could not discriminate against families with children before someone filed a formal complaint. By providing on-the-spot education to landlords and mobile home park owners, FHEO staff was able to prevent some discrimination.

The staff also worked closely with the fair housing and disability-rights advocacy organizations in the Gulf Coast Region. HUD funds many of these groups through its Fair Housing Initiatives Program, or FHIP. HUD allocated an additional \$1.2 million to these Gulf Coast fair housing groups to aid them in their post-hurricane fair housing efforts. These efforts include outreach to evacuees, landlords, and conducting investigations of possible discrimination.

HUD recognized, however, that many individuals seeking housing, and many landlords providing it, might not know their rights and responsibilities under the Fair Housing Act. So, in that first month after the hurricane, HUD took out advertisements in local papers in the Gulf Coast advising people of the Fair Housing Act's prohibitions of discrimination and how to report such discrimination to HUD. HUD staff also distributed fair housing posters and flyers at Disaster Recovery Centers, at shelters, and among other organizations throughout the Gulf Coast. HUD staff and our fair housing partners in the Gulf Coast also appeared on radio and television programs to provide information on fair housing. In all instances, staff provided the number of HUD's Housing Discrimination Hotline, where anyone in the country can report discrimination toll-free. That number is 1-800-669-9777.

Also, on October 25, 2005, in my third week as Assistant Secretary, I sent an open letter to the housing industry advising them that it is against the law to discriminate in housing-related transactions on any basis prohibited under the Fair Housing Act.

I have provided a copy of this letter, and samples of HUD's other education and outreach materials to the Committee for inclusion in the record.

To date, HUD has received nearly 100 complaints of discrimination from displaced Gulf Coast residents. HUD has been investigating those complaints and obtaining relief for individuals where the parties could arrive at some mutually satisfactory resolution. HUD has resolved a fifth of the cases this way. This includes a complaint out in California – evacuees have relocated throughout the county – where HUD obtained for three African-

American women the relief they sought-- \$600 each from a potential landlord whom they alleged denied them the rental of an apartment because they are black.

Over 60 percent of the cases are still under investigation as they have been filed recently. For example, HUD is currently investigating a number of complaints that the National Fair Housing Alliance has filed alleging racial discrimination by housing providers throughout the Gulf Coast. The Greater New Orleans Fair Housing Action Center has also filed complaints alleging discriminatory advertising on Katrina-relief Web sites that are currently under investigation.

The remainder HUD has dismissed with a finding of no discrimination, or because the person who filed has declined to pursue the case.

HUD has also found that while the Internet is a valuable resource, helping hurricane evacuees find housing, obtain supplies, and locate loved ones, it can also cause harm. HUD has received and is investigating complaints alleging that some Internet sites have carried advertisements offering housing to evacuees, but only if they were of the right race or religion, or have no children. The Fair Housing Act makes it unlawful to publish discriminatory statements in connection with the sale or rental of housing. HUD takes all allegations of discriminatory advertising seriously, particularly when the language inflicts harm on people who have already gone through so much. We are currently investigating complaints that allege that advertisers and the Web site publishers of these advertisements have violated the Fair Housing Act. In the meantime, a number of Web sites have begun to purge their sites of these discriminatory ads and have posted prominent public-information notices about the obligation of all advertisers to comply with the Fair Housing Act. We have reason to believe that the Web sites have taken these steps in response to actions by HUD and HUD-funded fair housing groups.

In the case of Katrina-relief Web sites, HUD has also provided information about the Fair Housing Act to FEMA so that it does not inadvertently direct evacuees to Web sites that allow the posting of discriminatory ads.

HUD continues to educate the general public about its fair housing rights. Last month, on January 19<sup>th</sup>, I joined HUD Secretary Alphonso Jackson in announcing the launch of a nationwide Public Service Announcement campaign to inform displaced hurricane survivors of their fair housing rights. Working with the Ad Council, the nation's top producer of PSA campaigns, we produced compelling television, radio, and newspaper ads that inform the public that "the storm isn't over" for those hurricane evacuees who are facing discrimination as they search for new housing. The ads inform evacuees that "there is hope because there is help" from HUD, the federal agency charged with combating housing discrimination.

In the months immediately following the hurricanes, the first priority for many evacuees was having a roof over their heads and food to eat. People who face housing discrimination have a full year to file a complaint of discrimination with HUD. We expect that when people see our public-service announcements and reflect on the

obstacles they experience in their housing search, we will likely see a rise in complaints. Moreover, we expect we will see additional complaints as people leave the FEMA hotel-reimbursement program and begin their housing search.

HUD is not waiting for people to file complaints to take action against discrimination. We have used our authority to initiate investigations based on reports of discrimination that we have received, but where no one has stepped forward to file a complaint. Specifically, HUD is investigating the Louisiana parishes that have either refused to site FEMA trailers or have imposed significant restrictions on the placement of such trailers. Legitimate reasons may exist for some of these parish policies, but some allege that the parish objections are motivated by the fear that African-Americans will move into these communities. HUD is looking into these allegations.

A significant part of our Gulf Coast effort has been to advise FEMA on disability accessibility as it creates mobile-home communities to temporarily house the people displaced by the hurricanes. HUD provided FEMA with a design for an accessible mobile home, provided guidelines on how to make mobile-home communities accessible, and worked with FEMA to establish a standard for all manufactured-housing communities that at least 14 percent of homes be accessible to people with disabilities. HUD has also detailed a staff member to FEMA's long-term recovery effort to advise on disability-rights issues, promote the hiring and training low-income persons on certain HUD-assisted projects, and to advise on fair housing, in general.

We have also directed more of our accessibility education efforts to the Gulf Coast, to make sure that as developers rebuild, they make sure properties are accessible to people with disabilities. Our Fair Housing Accessibility FIRST program, which has been praised by industry and disability advocates alike, held training programs for builders and others in Mississippi and Louisiana last November. FIRST will soon hold seminars in Texas and Florida and host training at the American Institute of Architects annual conference. The FIRST program is a shining example of how industry, advocates, and government are working together, on behalf of people with disabilities in the hurricane recovery effort.

HUD will continue to work with all parties who have a role in ensuring housing opportunities in the Gulf Coast are available, free of discrimination—architects and builders, fair housing advocacy organizations, and the general public. At a time when thousands of families are struggling to recover from the biggest natural disaster to strike this nation, HUD is firmly committed to ensuring that they have the opportunities they need to rebuild their lives.

I thank the Committee for this opportunity to testify on HUD's post-hurricane fair housing efforts.



**Fair Housing Issues in the Gulf Coast in the Aftermath of Hurricanes Katrina and Rita**

Submitted to:

**U.S. House of Representatives Committee on Financial Services  
Subcommittee on Housing and Community Opportunity**

Submitted by:

**Janet Murguía, President and CEO  
National Council of La Raza**

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February 28, 2006

My name is Janet Murguía, and I am the President and CEO of the National Council of La Raza (NCLR). I have spent my entire career as an advocate for greater opportunities for this nation's hardworking Latino families, and on behalf of NCLR and the Latino community, I am pleased to present our views for this hearing, "Fair Housing Issues in the Gulf Coast in the Aftermath of Hurricanes Katrina and Rita." I thank Chairman Ney, Ranking Member Waters, and the other the members of this committee for taking the lead in holding a field hearing on this issue. The commitment of this committee to the principles of fair housing is clear, and much appreciated by our community. I also thank the Chairman, Ranking Member, Congresswoman Velazquez, and Congressman Tiberi for their work on making homeownership more accessible to Latinos through their support of housing counseling.

NCLR is a private, nonprofit, nonpartisan organization established in 1968 to reduce poverty and discrimination and improve opportunities for the nation's Hispanics. As the largest national Hispanic civil rights and advocacy organization in the U.S., NCLR serves all Hispanic nationality groups in all regions of the country through a network of nearly 300 affiliate community-based organizations.

NCLR has a long history of fighting for Latinos' right to fair and affordable housing. Over the past two decades, we have testified before Congress on this issue multiple times and worked with partners in the private and nonprofit sectors to improve Latino families' access to fair housing. Complementing this work, NCLR has also been a leader in advocating and conducting research on affordable housing issues important to the Latino community. This work focuses on issues such as wealth creation and barriers to homeownership, access to affordable mortgage products, and programs and legislation that support fair lending. NCLR's most recent relevant publications include *Hispanic Housing and Homeownership; American Dream to American Reality: Creating a Fair Housing System that Works for Latinos; Hispanic Housing and Homeownership; and Jeopardizing Hispanic Homeownership: Predatory Practices in the Homebuying Market*.

In addition, since 1997, NCLR has been a national intermediary designated by the Department of Housing and Urban Development (HUD) to distribute funds for housing counseling. The NCLR Homeownership Network (NHN) consists of 37 NCLR affiliates in 20 states which provide pre-purchase bilingual homeownership counseling to low-income families in predominately Latino neighborhoods. NHN counsels more than 20,000 families each year, more than 3,500 of which become homeowners. NHN has sophisticated partnerships with some of the nation's largest providers of home mortgages such as Bank of America, Countrywide, JPMorgan Chase, Washington Mutual, Wells Fargo, Fannie Mae, and Freddie Mac. Our long history and experience in the community puts us into a unique position to comment on the fair housing issues facing current hurricane victims and the implications for Latinos nationwide.

As you well know, Hurricanes Katrina and Rita are responsible for an unprecedented amount of damage to the Gulf Coast region, the complete ramifications of which will not be known fully for some years to come. Unfortunately, issues of housing discrimination have quickly risen to the top of this list. This hearing is an important step in beginning to look at the fair housing challenges facing this region now and those on the horizon, as well as what this tells us for the rest of the country.

In the wake of Hurricanes Katrina and Rita, NCLR quickly realized that Hispanic families were being left behind by public and private relief agencies. In response to the crisis, NCLR reached out to our affiliates, corporate partners, and individuals to create the NCLR Katrina Relief Fund. The Fund was designed to inject badly-needed funds directly into organizations providing services to hurricane victims. It has since become clear that the extent to which the government and public agencies were incompetent in assisting Latino families could have dangerous implications for the next disaster relief effort. NCLR plans to release *In the Eye of the Storm: How the Government and Private Response to Hurricane Katrina Failed Latinos*, a new report that analyzes the response of the federal government and private relief agencies, primarily the American Red Cross, to the needs of Latinos living in the affected areas along the Gulf Coast. *In the Eye of the Storm*'s findings include: discriminatory assumptions that all Latinos are undocumented immigrants left some Latinos without relief services; Latino workers were promised housing by their Federal Emergency Management Agency-contracted employers, yet were left to live in tent cities outside construction sites; and the Internet is being used as a new tool to block Latino families from housing. The report makes recommendations to government agencies, policy-makers, and relief agencies, accordingly.

#### **Discrimination Against Latinos**

Discrimination against Latino homeseekers is not a new issue and, given the current backlash against immigrants, we have reason to believe that it may be intensifying. For example, in 2000 the Department of Housing and Urban Development released a study using paired testing to gauge incidences of discriminatory acts whereby a minority and a White tester are given identical financial information and apply for the same apartment or home loan. The study found that nearly one in five Hispanic homebuyers and more than one in four Hispanic renters experience some act of discrimination while searching for their new home. While discrimination against Hispanic homebuyers had decreased since the previous HUD-sponsored report (completed in 1989), the incidence of discrimination against Hispanic renters rose, while the same figures fell for other renters. This is troubling in light of the important contribution that Hispanic families make to the renting market, accounting for just over 17% of all renters. With respect to the Gulf Coast, reports from our affiliates and partners suggest that the rates of housing discrimination against minorities, families with children, the elderly, and religious minorities appear to be much higher in that area now.

Other evidence suggests a potential rise in housing discrimination against Latinos nationwide. In response to what can only be called a backlash against hardworking immigrant families, some local municipalities have selectively enforced their zoning laws to target Latino families. In 2004, for example, the Department of Justice (DOJ) settled a case against Bound Brook, New Jersey in which an elected official was found using an Internet chat site to solicit addresses of Latino-occupied units for selective housing code enforcement. In other areas, cities have passed new laws that are designed to keep large immigrant families out of their neighborhoods. The *Washington Post* recently reported that Latino families are targets of housing-related complaints and searches that are without merit (determined by the fact that no infractions of the code were

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<sup>1</sup> Turner, M.A., S.L. Ross, G.C. Galster, and J. Yinger, *Discrimination in Metropolitan Housing Markets: Phase I*. U.S. Department of Housing and Urban Development, 2002.

found).<sup>2</sup> In addition, analysis of the 2004 Home Mortgage Disclosure Act data confirms earlier research and findings that Latinos and other minority and low-income families are disproportionately receiving higher-cost home loans, even when controlling for key loan characteristics such as income, loan amount, property location, co-applicant, and gender.<sup>3</sup>

Housing discrimination in and of itself is a major societal concern and undermines the fundamental American commitment to equal opportunity under the law; for that reason alone society should be committed to its eradication. However, there are tangible harms to victims and communities as a result of discrimination. The most obvious and measurable is segregation. Major studies of segregation patterns have identified a trend of rising segregation levels after an historical low in the mid-1980s. Neighborhood segregation contributes to cycles of poverty, segregated and underperforming schools, and decreased access to city services and jobs. Moreover, limited housing mobility undermines wealth creation and economic mobility.<sup>4</sup> The rising discrimination rates seen in the Gulf Coast area threaten to undercut the entire rebuilding effort.

#### **The Gulf Coast**

As was evident to members of this committee during the field hearings held in Mississippi and Louisiana January 13 and 14, 2006, issues concerning fair housing access have emerged among the most important issues for those living and working in the affected regions. I want to draw your attention to three of NCLR's concerns related to housing:

- **Many Latino workers have been left without decent housing.** Though Latino workers play an important role in rebuilding the Gulf Coast region, most live in tent cities outside their job sites. In some cases, there is not an affordable option available. In other cases Hispanic workers in particular have been barred from accessing better housing options. *The Wall Street Journal* documented the eviction of Hispanic workers from American Red Cross shelters during the early rebuilding efforts.<sup>5</sup>
- **The Internet poses new challenges.** The autonomy of Internet users presents a challenge for fair housing laws that were designed for print media. Websites that give users a free hand to post information without first reviewing its contents may unwittingly aid housing discrimination. The Greater New Orleans Fair Housing Action Center filed a complaint with HUD against several websites that were advertising housing opportunities for posting

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<sup>2</sup> McCrummen, Stephanie, "Concerns Persist About Manassas Anti-Crowding Efforts," *The Washington Post*, Thursday, February 23, 2006, VA15; and Stewart, Nikita, "Prince William Sizes Up Crowded Housing Problem," *The Washington Post*, Wednesday, February 22, 2006, B02.

<sup>3</sup> Ernst, Keith and Debbie Goldstein, "Comment on Federal Reserve Analysis of Home Mortgage Disclosure Act Data." Washington, DC: Center for Responsible Lending, September 14, 2005.

<sup>4</sup> See: Logan, John R., *Separate and Unequal: The Neighborhood Gap for Blacks and Hispanics in Metropolitan America*. University of Albany, Lewis Mumford Center for Comparative Urban and Regional Research, 2002; Sandoval, Juan Onesimo, Hans P. Jonson, and Sonya M. Tafoya, "Who Is Your Neighbor: Residential Segregation in California," *California Counts* 4(1), 2002; Orfield, Gary and Chungmei Lee, *Brown at 50: King's Dream or Plessy's Nightmare?* Harvard University Civil Rights Project, 2004; and Orfield, Gary, *Housing Segregation: Causes, Effects, Possible Cure*, Harvard University Civil Rights Project, 2001.

<sup>5</sup> Terhune, Chad and Evan Perez, "Roundup of Immigrants in Shelter Reveals Rising Tensions," *The Wall Street Journal*, October 3, 2005.

discriminatory ads. Executive Director James Perry testified before the House Financial Services Committee that these ads included blunt statements that Blacks, Hispanics, children, and non-Christian families were not welcome, a clear violation of the 1968 Fair Housing Act.

- **Homeowners are vulnerable.** As many suspected, many homeowners from the affected areas are facing the threat of foreclosure. Temporary forbearances have lapsed and many owners are still unable to pay their mortgage. According to The Brookings Institution, which has been tracking such variables on a monthly basis, nearly one in four Louisiana mortgages and more than one in six Mississippi mortgages were 30 or more days past due, a significant increase over the pre-Katrina levels of one in 15 in Louisiana and one in eight in Mississippi.<sup>6</sup> NCLR, along with many of our affiliates and partners, is concerned that these vulnerable families run a high risk of being targets of predatory lenders.

#### **Current Enforcement System**

Clearly the need for an effective fair housing system has never been greater. Regrettably, the current fair housing system has fallen short of the needs of the Latino community in three key ways.

- **Many Latinos are unaware of their rights.** Because there have historically been so few Latino-focused community-based organizations involved in fair housing outreach, education, and testing, there is a lack of a cultural awareness of the civil rights enforcement system in general and the fair housing system in particular. The result is that many Hispanics who encounter housing bias may not recognize it when it occurs. The National Fair Housing Alliance's (NFHA) *2003 Fair Housing Trends Report* estimates that, based on HUD findings of a 27% discrimination rate against Hispanic renters and on the average number of Hispanic families who move each year, Hispanics alone probably encounter at least 441,085 incidents of discrimination a year. However, there were only 25,000 total claims filed on behalf of all protected classes during 2002.<sup>7</sup> Further, many federal and local offices, as well as agencies funded by the Federal Housing Initiative Program and the Federal Housing Assistance Program (the two major federal sources for fair housing funding), lack bilingual staff and materials, which inhibits effective outreach to the Hispanic community; many Latino families do not understand their rights, are reluctant to report discrimination, or do not receive information about subsidized housing programs. This is especially true in areas such as the Gulf Coast.
- **Enforcement systems do not meet the needs of victims of housing discrimination effectively.** Despite the widespread discrimination encountered by Latinos in the housing market, there is substantial evidence that the fair housing enforcement system fails to adequately enforce their rights. For example, Hispanics are severely underrepresented in federal charge caseloads and litigation and in complaints filed with state-local enforcement agencies and private fair housing groups. A review of the U.S. Department of Justice's publicly available case summaries for housing and civil rights enforcement, for example, reveals that it has pursued only 22 fair housing cases involving Latino

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<sup>6</sup> Katz, Bruce, Matt Fellowes, and Mia Mabanta, *Katrina Index: Tracking Variables of Post-Katrina Reconstruction*. Washington, DC: The Brookings Institution, February 1, 2006.

<sup>7</sup> *2003 Fair Housing Trends Report*, National Fair Housing Alliance.

plaintiffs between 2000 and January 30, 2004 and filed one amicus curiae brief out of more than 180 cases.<sup>8</sup> This litigation on behalf of Hispanics constituted less than 13% of all DOJ's caseload over this period. The fair housing system relies heavily on victims reporting incidents of discrimination, which requires victims to know their rights, to realize they have been discriminated against, and to be comfortable reporting the incident. Immigrants in particular face considerable intimidation when filing a complaint. We have heard many reports from community organizations that landlords or homebuying agents threaten to have families deported, even when a family is legally present and the threat is baseless. These intimidation tactics only serve to keep all Latinos from trusting the fair housing system.

- **Funding for fair housing has not been a priority.** Unfortunately, Latinos have not been welcomed as mainstream stakeholders in the fair housing system. As a result, there is a lack of mainstream fair housing agencies that have the capacity to serve the Latino community effectively and even fewer Latino community-based organizations engaged in the field of fair housing. Although anecdotal evidence suggests that a significant number of mainstream fair housing agencies have some capacity to serve the Hispanic community, it is still far from the norm for Latinos or other bicultural or bilingual staff to be proportionately represented in such agencies. NCLR research shows that Latino-serving agencies do not receive the funds they need to adequately reach the Latino community. The funds they do receive are more often focused on outreach but not on enforcement. Given recent demographic changes and the research findings documenting a high incidence of housing discrimination against Hispanics, one might expect a substantial portion of funding to be targeted to agencies building Latino-focused capacity, or Hispanic organizations seeking to build fair housing capacity, or both.

#### **Recommendations**

- **Make fair housing a priority.** It is clear that fair housing must be part of all long-term disaster relief efforts now and in the future. Congress must direct the Department of Housing and Urban Development to target a portion of their disaster relief-related funds to local fair housing and community organizations with the capacity to educate hurricane victims and current Gulf Coast residents of their rights to fair housing. Such a campaign must be broad, timely, and accessible in multiple languages that reflect the diversity of the area. In addition, the Department of Homeland Security must incorporate strategies for ensuring that victims fleeing affected areas and those working in the disaster relief efforts are not discriminated against in their search for decent and safe housing.
- **Invest in education and enforcement.** Broad public education campaigns in multiple languages are necessary to educate homeseekers on their rights to fair access to a home, how to file a complaint in the event of an incidence of discrimination, and who in their area can help them through the process. This cannot be done without fully funding the existing fair housing budget, which the Administration has proposed to cut by \$1 million. Moreover, Congress must increase the funding for the fair housing programs and set

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<sup>8</sup> U.S. Department of Justice, *Case Summaries*, 2004. World Wide Web page <[www.usdoj.gov/crt/housing/documents/casesummary.htm](http://www.usdoj.gov/crt/housing/documents/casesummary.htm)>.

aside a portion of this increase to build capacity within Latino-serving community organizations to address the unique needs of this population.

- **Hold Internet users accountable.** Website hosts have the same responsibilities as print media to police their website and monitor all posts regarding the renting or sale of property, even if it is on a temporary basis. Congress, HUD, and DOJ must send a collective message that the Internet cannot be used to discriminate against protected classes. To accomplish this, we suggest that those involved in the fair housing enforcement system post an open letter to Internet users reaffirming their commitment to pursuing any violations of the Fair Housing Act. In addition, monies should be appropriated for HUD and its grantees to jointly monitor and study the role of the Internet in home searches and the possible presence of discriminatory acts. Finally, in HUD's next round of funding fair housing testing, a review of Internet advertisements must be included.

#### **Conclusion**

Discrimination in the housing market threatens to undermine the rebuilding efforts along the Gulf Coast. Moreover, new discriminatory practices are creeping up in communities throughout the country. NCLR appreciates the commitment of this committee to the ideals of equal access. We now call on the members of Congress to act on this commitment and make fair housing a priority. We stand ready to work with you in any way we can.

G R E A T E R  
N E W O R L E A N S



**FAIR**  
**HOUSING**  
**ACTION CENTER**

*Celebrating 10 years  
of fighting housing  
discrimination*

**Congressional Testimony (Housing Subcommittee on  
Housing and Equal Opportunity): 2-28-06**

James Perry, Executive Director  
Greater New Orleans Fair Housing Action Center

**Introduction**

Good afternoon, my name is James Perry, I am executive director of the Greater New Orleans Fair Housing Action Center (FHAC). Chairman Ney, Ranking Member Waters, and members of the Committee, I would like to thank you for inviting me to speak with you today about fair housing issues facing New Orleans.

FHAC is an 11-year-old private, non-profit civil rights organization established to eradicate housing discrimination throughout the greater New Orleans area. FHAC promotes fair competition and equal opportunity in rental, sales, home lending, and provision of housing insurance. FHAC is dedicated to fighting housing discrimination not only because it is illegal, but also because it is a divisive force that perpetuates poverty, segregation, ignorance, fear, and hatred.

FHAC is the only full service fair housing center in the state of Louisiana. This means that we are the only group in the state of Louisiana that does both enforcement and outreach about housing discrimination laws.

**Status of fair housing in Louisiana**

On January 13<sup>th</sup>, I was privileged to address this subcommittee in New Orleans, Louisiana. At that hearing I gave an overview of some of the many cases and typical fair housing cases that have been considered by our agency in the wake of Hurricane Katrina. Today I will give a similar overview and discuss our Internet advertising cases in more detail.

Since Hurricanes Katrina and Rita, FHAC has received a record number of calls about discriminatory treatment in housing. Complainants and independent investigation have uncovered the following:

- Some landlords have represented to black home seekers that vacant livable units were unavailable or unlivable while advising white home seekers that the units were available and livable;
- Black home seekers have been charged more rent and higher deposits than their White counterparts;
- Rental agents have failed to return messages to African-American home seekers while returning the calls of their white counterparts;
- Rental agents offered special inducements like lower security deposits to white home seekers, while refusing to offer the same



- to their black counterparts;
- People with mobility impairments have complained that there are few accessible housing units available;
- In December, we were forced to file a lawsuit against the City of Denham Springs after the city applied its zoning code in a manner that discriminated against a group home for displaced New Orleanians with mental disabilities. At the public hearing on the issue, neighbors made numerous statements indicating that their resistance to the group home was based upon false stereotypes and misconceptions about people with mental disabilities.
- Additionally, we filed a complaint against the Housing Authority of New Orleans (HANO) after learning that the few available public housing units in the City located at the redeveloped St. Thomas housing project were actually being leased to the housing authority's employees, rather than to returning mostly African-American St. Thomas residents. This is despite a conciliation agreement between the HUD, HANO, and former St. Thomas residents requiring that a preference be given to former residents of the development.
- A huge issue is the not in my backyard sentiment, or "NIMBYism," espoused by many people in and around New Orleans. One St. Rose resident remarked: "My concern was strangers coming into my neighborhood that I knew nothing about... I don't want my neighborhood ruined because theirs is." NIMBYism has prevented FEMA from locating thousands of trailers on sites in and around the city of New Orleans. That is, thousands of displaced New Orleanians can't come home because some people say simply: not in my backyard. Our office is closely monitoring the issue.

These examples alone indicate that housing discrimination is a huge problem in the aftermath of Hurricanes Katrina and Rita. The issue is further pressed by the fact that FHAC is the single organization with the sole goal of assisting members of all protected classes in the entire state of Louisiana. That said, our organization has struggled to meet the need. Our entire staff evacuated because of the hurricane and every single staff member's home was made uninhabitable by the storm. Additionally, we were not funded by HUD's fair housing initiatives program, a program that has been the base of our funding for most our 11 year existence.

Our survival is due to the tenacity of the remaining 2 people on staff (General Counsel, M. Lucia Blacksher and myself), program and financial support from the National Fair Housing Alliance, program and financial support from the Washington D.C. Equal rights Center, program support from the Lawyer's Committee for Civil Rights, and financial support from Fannie Mae, Freddie Mac and numerous individual donors.

#### Internet Advertising Cases

While each one of the previously mentioned cases are important, perhaps the most concerning issue we have confronted since the hurricanes is the matter of discriminatory Internet advertising. In early December, I received information from an evacuee concerned about several advertisements she noticed on katrinahousing.org. In a matter of minutes, a print out of the ads was faxed to me. At first glance, I didn't believe them. When I conferred with Lucia Blacksher our staff attorney, she thought surely the ads must be a hoax. We read the ads together in awe:

- "I would love to house a single mom with one child, not racist but white only"
- "Not to sound racist but because we want to make things more understandable for our younger child we would like to house white children"
- "Provider would provide room and board for \$400, prefers 2 White females."

- "Prefer white Catholic family, children welcome;" and
- "Room available to single white mother with child or younger to middle aged white couple."

We immediately sought to determine the authenticity of the advertisements. We logged onto katrinahousing.org and searched for housing in the state of Louisiana. Instantly 5 discriminatory advertisements popped up... "We are [a] white couple and prefer a white family due to the neighborhood we live in." I spent the better part of that day searching Katrinahousing.org and several other websites, only to find that the advertisements were not the exception, but rather, the norm.

After only cursory research, we found illegal discriminatory housing ads littering five different websites purporting to assist Katrina and Rita evacuees: Katrinahousing.org, Katrinahome.com, Nolahousing.org, Dhronline.com and Relief.welcomewagon.com. I was further disappointed to find that one of the websites publishing discriminatory advertisements, Dhronline.org, is a FEMA sponsored website. As on January 13<sup>th</sup>, I have submitted to you again, 28 pages of demonstrating the nature and extent of the discriminatory advertisements. You will note that they discriminate against African-Americans, whites, Latinos, Asian-Americans, non-Christians, families with children and other protected groups (see Attached).

On December 23<sup>rd</sup>, with assistance from the Lawyer's Committee for Civil Rights and the Relman Law firm, we filed complaints against the five websites using the United States Division of Housing and Urban Development's administrative complaint process.

While none of the cases have settled, many of the sites removed the discriminatory advertisements. Some have put forth some mechanism designed to limit or prevent such advertisements.

Our major concern in the cases, however, is that some of the respondent websites have purported that they have no liability for having carried the discriminatory advertisements. This is in spite of clear language from the federal Fair Housing Act of 1968 as amended in 1988, and subsequent case law upholding the Act's advertising provision. The applicable language states:

It shall be unlawful to make, print, or **publish**, or cause to be made, printed, or **published** any **notice, statement, or advertisement**, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

Some respondents have raised the Communications Decency Act (CDA) as a defense to the claim.

In researching, the issue, I have found that it is not unique to discriminatory advertising for websites assisting Hurricane evacuees. Craigslist.com was sued only weeks ago by the Chicago Lawyer's Committee for publishing housing advertisements that discriminated against families with children. In 2003 The Justice Department negotiated a favorable settlement in a discriminatory advertising case against thesublet.com. The Fair Housing Council of San Fernando Valley and Fair Housing Council of San Diego are currently litigating against roommates.com. Further, there is a significant listing of complaints, which have been filed with HUD. In most of the cases, the website provider has sought to use the CDA as a stamp of approval for running ads that say no Blacks, no Latinos, or no kids etc.

The rise in these cases, likely comes because of the rise of the use of the internet in housing searches by consumers. According to American Home Guides, "the Internet has actually surpassed newspapers in the ability to bring home buyers to sales offices." In fact, American Home Guides estimates that "75 percent

of potential homebuyers first turn to the Internet for housing information.”  
[\(\[http://www.americanhomeguides.com/membership/importance\\\_of\\\_adv.html\]\(http://www.americanhomeguides.com/membership/importance\_of\_adv.html\)\).](http://www.americanhomeguides.com/membership/importance_of_adv.html)

So what exactly is the effect of the CDA? Well it does limit liability of Internet providers that publish *defamatory* or *obscene* speech because of the actions of another. However, the CDA is not meant to affect discriminatory housing advertisements because discriminatory advertising is distinctly different from defamation or obscenity. Never the less, to the extent that the Act has been or might be misinterpreted to bar fair housing claims, it must be made clear that the CDA does not allow Internet providers to publish discriminatory advertisements. I implore members of this committee and congress in general to amend the CDA and state clearly that nothing in the CDA limits the effect of the federal Fair Housing Act or any similar state fair housing law.

Members, if these same advertisements were placed in the Washington Post, New York Times or any newspaper in your respective jurisdictions, there would be no question of liability – legal or otherwise. The clear and unambiguous treatment of such print ads by the law has made discriminatory race and national origin advertising a rarity. Only occasionally, centers like ours must take action regarding ads that discriminate against families with children. But simply because these ads are on the Internet, housing websites think they can say: no blacks, no Latinos, Christians only or no kids. It’s wrong and illegal. We need your leadership in bringing clarity to the issue.

I would ask the committee to note that there may be support for amending the CDA in the real estate sales industry. Some states have sought to self-police the issue. The Texas Real Estate Commission, for example, has decided that for their members, Internet advertising and statements will be held to the same or a similar standard as that of print advertising, thus banning discriminatory Internet advertising.

Members, crucial to the rebuilding process in Louisiana and Mississippi is that all evacuees must have proper and equal access to housing. After the Hurricanes, evacuees like me, were failed by our phones, print media and had little access to local radio and television. We exchanged information via Internet. Imagine how many evacuees after having their homes destroyed by one of the Hurricanes and running into numerous frustrations in dealing with local and federal government were failed yet again in their attempts to find basic housing just because of the color of their skin, just because they had a child, just because of their national origin or because of their religion. It is un-American.

#### **Recommendations and Action Items**

Members, in response to fair housing issues arising as a result of Hurricane Katrina, problems of housing discrimination generally and the general need for housing on the Gulf Coast, I submit the following recommendations.

- Federal, state and local government officials must strongly and publicly condemn housing discrimination and make fair housing a priority in appropriate program activities.
- Amend the Communications Decency Act to state clearly that it does not limit any claim arising under the federal Fair Housing Act or similar state fair housing statutes.
- Design and facilitate a right of residents to return to their homes and neighborhoods and contribute to the rebuilding process, consistent with the United Nations Guiding Principles on Internal Displacement.
- Facilitate the right to return of New Orleans residents by prohibiting discrimination on the basis of the use of a housing subsidy or voucher. Many families seeking to return may be forced to rely on housing vouchers to be able to afford housing in the private market.

Policies that excluded renters with housing subsidies were pervasive in the New Orleans housing market before Katrina and will inhibit the return of residents if allowed to continue.

- As all Gulf Coast cities, counties and parishes rebuild and create housing opportunities, per the guidelines of the CDBG program, each municipality and state should affirmatively further fair housing by making it a basic component of every program it institutes. The redevelopment of communities should be integrated in terms of race, national origin, and economic class. The municipalities and states should expressly be required to utilize a portion of the CDBG funds for education and enforcement of fair housing laws.
- Transfer the housing related components of the rebuilding process from FEMA and SBA to HUD.
- Local fair housing organizations in Louisiana and Mississippi should receive additional funding from HUD and other entities for their education and enforcement programs.
- All new development receiving federal money should be required to have a mixed-income component.
- HUD and FEMA should be pushed to immediately raise their respective fair market rent amounts to meet the needs of evacuees competing for housing in hurricane-affected areas where housing is most scarce.
- FEMA must make fair housing a component of the relief it is offering. Its trailer parks must not perpetuate residential segregation. Further, it should refrain from supporting websites that engage in illegal advertising. FEMA is not exempt from federal, state or local fair housing laws.
- The Red Cross, United Way, and other charitable organizations must ensure that their programs are administered without regard to race, religion, national origin, etc. These charities are not exempt from federal and local fair housing laws. The housing placement offered must not perpetuate segregation.
- HUD should fund a national enforcement testing project to uncover the nature and extent of housing discrimination against people displaced by the recent hurricanes and people rebuilding in the Gulf Coast region and to identify predatory lending and home repair scams.
- Support federal funding of emergency and long term housing needs consistent with the recommendations of the National Policy and Advocacy Council on Homelessness.
- FEMA should create an anti-displacement policy ensuring that its efforts to create short-term housing do not result in evictions of other residents, resulting in the creation of new homeless populations.
- Support evacuees and advocates in their efforts to require FEMA to make it easier to apply for temporary housing assistance and to provide immediately more transitional.
- Renters should be able to return to those homes and resume their rental payments in accordance with their existing leases.
- Residents without leases, or those who are renewing their leases, should be protected from rental increases that exceed 10 percent of their previous rental amount.
- Make use of existing housing units in the private market before relying on mobile homes.
- Create an inventory of blighted, HUD and government owned properties located in neighborhoods that were not affected by flooding. Considering that non-flooded neighborhoods already have utilities and other infrastructure not yet available in flooded areas, plan and implement incentives for currently blighted properties to be placed in commerce.
- Look at strategies for acquisition of blighted properties to be renovated for workforce housing, affordable rental housing, and homeownership.
- Use the rebuilding effort as a means of creating wealth and building the assets of New Orleans residents through homeownership opportunities, training in the building trades, and small business

development.

- The Housing Authority of New Orleans (HANO) should immediately establish the right of every former HANO-assisted public housing or voucher resident to return to New Orleans to a unit that is affordable, and inform every displaced HANO-assisted tenant of this right.
- The physical condition of all public housing units should be determined: habitable, needs minor rehabilitation, needs more substantial rehabilitation, or must be demolished. This information must be made public immediately.
- HANO tenants should be permitted to have temporary guests and to temporarily overcrowd without penalty, especially for those guests without affordable housing who are disabled or seeking work.
- HANO should not demolish any structurally sound buildings in any publicly subsidized developments just for the purpose of facilitating redevelopment until this immediate housing crisis is resolved.
- If units were partially destroyed, allow tenants to decide whether to terminate the lease or to accept a transfer to another HANO property while the unit is being repaired. Make all repairs to public housing units that were only partially destroyed within 90 days.
- Provide Section 8 vouchers to public housing residents whose units were destroyed and assist them in locating alternative temporary housing while their units are being repaired.
- Implement a tracking system to ensure that HANO continues to communicate with public housing and voucher residents about the housing and moving resources available to them both in the short term and after any redevelopment activities are completed. Few residents will be able to take advantage of redevelopment if HANO has no way to contact them. This could include providing a means for HANO residents to ask questions of an ombudsperson, as well as to update their contact information and check their waiting list status, etc.
- Once buildings or developments are identified as uninhabitable, make non-negotiable the participation of former public housing residents in the planning and implementation of any redevelopment plans. Make training and employment of former public housing residents in redevelopment activities a condition of funding and contracting.
- Support the increase of voucher payments up to 150% of fair market rents or higher when necessary to assist lower income households to compete for scarce, more expensive housing. Residents on fixed incomes would have to spend nearly all of their income on rent to pay the difference between their voucher payments and the actual rental costs in the post-Katrina rental environment. Currently residents participating in the Katrina housing voucher program (KDHAP) are reportedly capped at 100% of the fair market rents set prior to Katrina. Even residents using vouchers prior to Katrina were able to request payments of 110% of fair market rents.
- Provide housing counseling assistance for families with vouchers who need help finding affordable housing near jobs, schools, and services.
- Oppose efforts to siphon off existing voucher funds to pay for redevelopment of public housing. Vouchers may be one of the few means to provide housing to public housing residents waiting for public housing units to be redeveloped.<sup>17</sup>
- Provide incentives to suburban jurisdictions that accept former New Orleans public housing residents using vouchers. Support the portability of voucher use between parishes.
- Prevent the exodus of landlords from the Section 8 programs by paying fair rental amounts to landlords whose properties are currently habitable.
- Create an inventory of low income tax credit properties, which are unable to deny housing to families on the basis of their use of a housing voucher.

- Assist the right to return of the City's workforce by supporting proper notice with regard to eviction proceedings. Proper notice must consist of a minimum of notice by mail. Tacking notice should be the notice of absolute last resort.
- Extend the mortgage forbearance period, provision of design and technical assistance to homeowners, and provision of financial assistance to homeowners to facilitate their right to return.

Respectfully submitted,



James H. Perry  
Executive Director

(Enc.)

## Advertisements found on Katrinahousing.org

### Race

1

Name:

(Private Email)

City: athens, AL, 35611 Phone:

(Private Email)

Email: tielkingt@bellsouth.net

# of People that can be Accommodated: 4 Available Rooms: 2 Living Situation: Array

Private Bathroom: YES Private Kitchen: NO Children Allowed: YES

Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES

Cost of Rent: FREE Duration of Availability: depends

Comments: we would prefer a white couple with a child or two . preferable age of adults-25-37

2

Name: City: jasper, AL, 35504 Phone: 205-221-3223 Email: hlettiaselina@yahoo.com  
# of People that can be Accommodated: 2 Available Rooms: 1 Living Situation: Mobile Home

Private Bathroom: YES Private Kitchen: NO Children Allowed: YES

Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: NO

Cost of Rent: FREE Duration of Availability: depends

Comments: i would love to house a single mom with one child,not racist but white only.

3

Name: City: Lester, AL, 35647 Phone: 256-233-8596 Email:  
(Private Email)

# of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: House

Private Bathroom: YES Private Kitchen: NO Children Allowed: YES

Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: YES

Cost of Rent: FREE Duration of Availability: depends

Comments: We would could house 1 or 2 children school age (at least kindergarten) and not to sound raciest because we are not be to make things more understandable for our younger child we would like to house white children.

4

Name:  
(Private Email)

City: casa grande, AZ, 85222 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 1 Available Rooms: 1 Living Situation:  
 Individual Housing  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: 4-8 weeks

Comments: Single white female only. Will assist wife with 3100 sq ft home. Very light help since she works nights. I have no way of transporting person othe than to pick up at airport.

5  
 Name: City: sacramento, CA, 95815 Phone: 9165290945 Email: NO@NO.COM  
 # of People that can be Accommodated: 2 Available Rooms: 1 Living Situation: House  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: \$400.00 Duration of Availability: depends

Comments: PROVIDER WOULD PROVIDE ROOM AND BOARD FOR \$400 LISTED ABOVE, PREFERS 2 WHITE FEMALES FOR ADULTS FOR CHILDREN OR OLDER CHILDREN THE RACE AND SEX DOESN'T MATTER. PROVIDER HAS A DOG THAT IS VERY PROTECTIVE. TEPORARILY WOULD HAVE TO SLEEP ON MATRESS ON FLOOR IN GARAGE OR ON A HIDE-A BED UNTIL PROVIDER MADE A ROOM AVAILABLE. PROVIDER HAS 1 ROOM AVAILABLE WITH 1 QUEEN SIZE BED, SMOKERS OK BUT ONLY OUTSIDE. PROVIDER HAS MS AND WOULD PREFER SOMEONE WITH MS. PROVIDER IS ON MEDICATION THAT WOULD NEED TO BE REFRIDGERATED.

6

Name:  
 (Private Email)  
 City: East Windsor, CT, 06088 Phone:  
 (Private Email)  
 Email: lotguy@webtv.net  
 # of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: House  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: I'm a single male in my mid 50's and have helped many young guys get a fresh start on life and identify with males better I could help a legal age teen up to 25 years old male who may not have anything to look forward to at the present time. There aren't many black residents in my location, so a young white man may find it easier to adapt to our town of about 12,000 There is a possibility of a job where I've worked for the past 13 1/2 years at an airport parking facility, or would be happy to help a little financially for assistance with my two dogs and chores around the house. I do not smoke, have never done drugs and have a drink once or twice a year. Sincerely, F. R. Cormier

7

Name:  
 (Private Email)  
 City: Casselberry,, FL, 32707 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 2 Available Rooms: 1 Living Situation: Shared housing  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: Ours is a home with two adults in it. We can assist a mother and baby. We cannot supply transportation, as we only have one car and need it ourselves. As a white couple, we would be looking for a white mother and baby.

8

Name:  
 (Private Email)  
 City: CLEARWATER, FL, 33759 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 5 Available Rooms: 2 Living Situation: Individual Housing  
 Private Bathroom: YES Private Kitchen: YES Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: 2 bedrooms,pvt bath,use of whole home ,for white family of up to 5,,smokeing ok,outside pets ok,,,outside

9

Name: City: Daytona Beach, FL, 32118 Phone: (386) 238-8826 Email: rkingdoms1@yahoo.com  
 # of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: House  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: \$400.00 Duration of Availability: 1-4 weeks

Comments: Have large master suite with large bath for one single professional lady or single widow lady. One individual only with no family. Should be white lady and able to prove you are from New Orleans or other hard hit area. Home is luxury art deco residence one block from beach and across street from new Holiday Inn Oceanfront Resort hotel resort.

10

Name:  
 (Private Email)  
 City: Dunnellon, FL, 34431 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 3 Available Rooms: 1 Living Situation: Shared housing  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: I called FEMA the other day and told them they could put as many evacuee trailers on my property as they would like. There is a pole hookup for electric and everything so if FEMA can put in the trailers I will take more people. I hate to ask that any people placed here be white though. We live in Redneck country here, especially in my neighborhood, and blacks are frowned on. Heck, we were also frowned on because we are white city people. I hate to be like that but I don't want any of my neighbors having ruffled feathers.

11

Name: City: Lake Camelton, FL, 33851 Phone: 863-255-8055 Email: jrjlchurch@hotmail.com  
 # of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: Shared housing  
 Private Bathroom: YES Private Kitchen: YES Children Allowed: YES

Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: only willing to take in infant - preferably white female.

12

Name: City: lake worth, FL, 33461 Phone: 5616027399 Email:  
[stevesbluecab@netzero.com](mailto:stevesbluecab@netzero.com)  
 # of People that can be Accommodated: 4 Available Rooms: 5 Living Situation: House  
 Private Bathroom: YES Private Kitchen: YES Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: This is for one single or divorced white female, with or without kids. but she must be willing to marry me and learn to love each other.

13

Name:  
 (Private Email)  
 City: lakeland, FL, 33809 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 2 Available Rooms: 2 Living Situation: Shared housing  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: I can put up a white married couple, no kids, or 1 or 2 single white men or 2 or 2 single white women. I have a home, i'm div wm, I have 1 roommate white male. I can offer my masterbedroom with bath. If they want to get work fine, if they have a little money fine. If they want to stay a few weeks till they relocate fine. They can help in the cleaning and bills if possible and cooking. No lazy people or druggies.

14

Name: City: Parrish, FL, 34219 Phone: 941-776-3329 Email:  
[huffmanj@fc.manatee.k12.fl.us](mailto:huffmanj@fc.manatee.k12.fl.us)  
 # of People that can be Accommodated: 2 Available Rooms: 2 Living Situation:  
 Individual Housing  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES

Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: YES  
 Cost of Rent: \$0.00 Duration of Availability: depends

Comments: We would love to house a child from Hurricane Katrinia from newborn to nine years old. We would love a newborn. If there are two children related we are open to taking both so that they are not separated. Our family and church families are very supportive in this decision and are willing to help in anyway possible. We would love a newborn. We request a white child just in case it turns into long term. We feel that it would be easier on the child.

15

Name:  
 (Private Email)  
 City: pensacola, FL, 32507 Phone:  
 (Private Email)  
 Email: punkrockloser224@yahoo.com  
 # of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: Mobile Home  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: Perfer white male/female ages 20-26 only. I am 21 male. Will have to get to know person befor they can move in. Dont want conflict. For more info Email me and leave your info and a phone number and i will get back to you. thanks.

16

Name: City: Alapaha, GA, 31622 Phone: 229-686-2596 Email: tastone1967@yahoo.com  
 # of People that can be Accommodated: 4 Available Rooms: 1 Living Situation: Mobile Home  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: 4-8 weeks

Comments: We would like to house a white family with both parents who work, no more than two children and a pet, because we have a dog ourselves, we really want to help. Please let us help!!!!!! Tommie Ann Stone

17

Name:  
 (Private Email)  
 City: Douglasville, GA, 30134 Phone:  
 (Private Email)

Email:  
(Private Email)

# of People that can be Accommodated: 4 Available Rooms: 1 Living Situation: House  
 Private Bathroom: YES Private Kitchen: YES Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: We Have A guest House. It has a bath room, walk in closet. 500 sqft. An efficiency kitchen can be set up easily by me. I also have a camper that can be set up to sleep 2 comfortably. We would prefer 2 adults 2 children or 1 adult and 2 children. If you have a young professional couple or anyone who knows HVAC sales or tech or HVAC installations I may be able to get them a good job. We would prefer a white christian couple. Pastors are welcome.

18

Name: City: norcross, GA, 30092 Phone: 404-219-5060 Email: mrgolfer102@earthlink.net  
 # of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: Apartment/Condo  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: I have a 2 bedroom apt. I will be up front. I am a gay male so the person who would stay here must be ok with that. It has a twin bed in it not a lot of room but available. I am a christian and attend New Covenant church of Atlanta and God has put on my heart to try and help. I would like to open my apt. up to a non-smoking white gay male or female that needs a place to stay. I do not have a lot of money but do have a place for them to stay, and a person to talk to.. I have weird working hours 2am to 1pm.. so best time to get ahold of me is 2pm to 6pm.. I tend to go to bed around 6pm.

19

Name: City: Thomson, GA, 30824 Phone: 706-541-0083 Email: marty@wrightsmechanical.com  
 # of People that can be Accommodated: 4 Available Rooms: 1 Living Situation: Shared housing  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: \$0.00 Duration of Availability: depends

Comments: School bus ride available for children. We are a rural family of five and have limited rooms available; however, we have a spacious home and could

partition off areas. We can provide possible job opportunities and transportation. We would prefer a middle class white family.

20

Name:  
 (Private Email)  
 City: valdosta,ga., GA, 31602 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 1 Available Rooms: 1 Living Situation:  
 Individual Housing  
 Private Bathroom: YES Private Kitchen: YES Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: I am a widow senior citizen who would like to share my home with another senior white lady who is selfsufficant,because Ihave medical cond. that prevent me from waiting on someone.I have avery lg.3 bedroom doublewide trailer. I have acar & can drive if they need any transportation.

21

Name:  
 (Private Email)  
 City: Des Moines, IA, 50310 Phone:  
 (Private Email)  
 Email: willowink@msn.com  
 # of People that can be Accommodated: 3 Available Rooms: 2 Living Situation: House  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: I have 2 inside cats, backyard all fenced in. Smoking on deck and porch. Minimal drinking. NO DRUGS. Easy to find jobs, \$7-\$10/HR, public transportation and ride sharing. A young African American family is welcome. Free room and board if paychecks saved for starting over. Please attend weekly church services of your choice. Private bedroom, run of house, treat as your own. I'm a nice/cool 40ish straight white woman with no kids and a terrible cook.

22

Name:  
 (Private Email)

City: Chapman, IL, 60181 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 2 Available Rooms: 4 Living Situation: House  
 Private Bathroom: YES Private Kitchen: YES Children Allowed: NO  
 Pets Allowed: YES Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: This house is vacant but belongs to me. It is in rural Southern Illinois (Marion County). I live in the Chicago area. The house is in mid-renovation, but there is water, gas and electric. If they don't mind living in a semi-renovated home, it's available. I prefer two older women, say a mother and daughter.  
 It's important to note that I AM NOT RACIST -- there are blacks and asians married into my Caucasian family, which makes me very happy, but the town of 2,000 and especially this neighborhood unfortunately IS ALL WHITE, and many people there are prejudiced. This grieves me, but it's a fact. I just want whoever needs this space to be comfortable and accepted. There is little industry or job opportunities in this area, so it would be necessary that they receive some assistance for food and clothing. I am on a limited income (I make \$12 an hour and was unemployed for months, until early August), so I can ONLY donate the space. It would help if they had a car and/or a small income. They could stay up to six months or so while they got their lives back on track. I prefer older women, say a mother and daughter. Please contact me if there are questions.

23

Name: City: Grayslake, IL, 60030 Phone: 847-223-0645 Email: daphanie2@aol.com  
 # of People that can be Accommodated: 5 Available Rooms: 2 Living Situation: House  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: We are a white family with 3 kids 5,3 and 9 mos looking to open our home and our hearts to a black family, any kind, preferably with kids. We want to teach our kids that love is colorblind. We have 2 dogs and a nice house 45 mins north of Chicago near the Wisconsin border. French speaking and cajun cooks area bonus!

24

Name:  
 (Private Email)  
 City: Libertyville, IL, 60048 Phone:

(Private Email)

Email: ddietmeyer@ifsc.com

# of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: House

Private Bathroom: YES Private Kitchen: YES Children Allowed: YES

Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: YES

Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: We would like to offer our home for one (1) child. We live in a nice community in Northern IL. We have 1 son, age 5, in kindergarten. We are looking for one (1) child, preferably white, since we live in a predominantly white community/school district. I want to make this transition as easy as possible for both sides and want to make sure the child does not feel segregated because of race. This child can be male or female ranging in age from kindergarten to 4th grade. We are working parents so this child would fall into a routine of attending school just like our son. We attend church on a regularly basis. This child will be given a great home, lots of love, food, clothing, and an excellent school district. We would offer our hearts and home to this child while the search for other family members continue. Or, we can watch your child while you seek out a new shelter and get situated. We would offer our home up to 3 months. We will pay for airfare to and from our home. We will love this child like our own child.

Name:

(Private Email)

City: Jelsma, IN, 46310 Phone:

(Private Email)

Email:

(Private Email)

# of People that can be Accommodated: 6 Available Rooms: 7 Living Situation: House

Private Bathroom: YES Private Kitchen: YES Children Allowed: YES

Pets Allowed: YES Smoking Allowed: NO Willing to Transport Survivors: YES

Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: The house is in Northwest Indiana about 60 miles from Chicago. It is mostly a white community. The elementary school is right across the street.

The house has two full baths, four bedrooms. The house is next door to our church. The church will try to furnish the house with needed items.

Name: City: Lacygne, KS, 66040 Phone: 8163097409 Email: gene@starcollc.com

# of People that can be Accommodated: 4 Available Rooms: 4 Living Situation: House

Private Bathroom: YES Private Kitchen: YES Children Allowed: YES

Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: Prefer rural couple with small children. Hunter or farmer praferd. If willing to work on the land will not have to pay rent.Perfer white family because city is very racised.

27

Name: City: Georgetown, KY, 40324 Phone: 859-797-3228 Email: carmarhenson@bellsouth.net  
 # of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: Shared housing  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: I know there are many children that lost thier familes. I have been looking into adoption. I would like the youngest child in need. I would prefer a girl but will accept a boy. I would also prefer white if adoption of the child is possible.

28

Name: City: HARLAN, KY, 40831 Phone: 6065734370 Email: LILGRACE4@AOL.COM  
 # of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: Apartment/Condo  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: < 1 week

Comments: I WOULD TAKE CARE OF A 4-5 YEAR OLD LITTLE GIRL I HAVE TWO SONS AND MY HUSBAND LIVE IN A THREE BED ROOM APARTMENT A GIRL WOULD FEEL MY HOME AGE  
 4 OR 5 WHITE AMERICAN NOTHING WRONG WITH EITHER COLOR BUT DONT WANT THE KIDS CONFUSED WITH IT

29

Name:  
 (Private Email)  
 City: Henderson, KY, 42420 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: Mobile Home  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: 1-4 weeks

Comments: would rather take in 1-2 children without parents or a mother and 1 child due to a lack of space can help get children in school prefer people of white race because of my neighborhood

30

Name: City: Baton Rouge, LA, 70818 Phone: 225 933 6793 Email: mnevels5@hotmail.com  
 # of People that can be Accommodated: 4 Available Rooms: 2 Living Situation: Shared housing  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: \$50.00 Duration of Availability: > 8 weeks

Comments: Owner had 2 bedrooms with private Bath rooms Rent will need to be negotiated prior to moving. Limited to elderly couples 50 or older able to take care of themselves. White only. Must have their own transportation.

31

Name:  
 (Private Email)  
 City: Monroe, LA, 71203 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 4 Available Rooms: 2 Living Situation: House  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: Upstairs of new home, two bedrooms, 1 queen bed, two twin beds, bathroom, nice living room, couples with kids, single mothers with children, preferably white. We are a young couple with three children that can help in many ways.

32

Name: City: Shreveport, LA, 71105 Phone: 318 617 0665 Email: dkmmac@sport.rr.com  
 # of People that can be Accommodated: 2 Available Rooms: 1 Living Situation: House

Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: Room available to single white mother with child or younger to middle aged white couple. Be willing to find employment as soon as possible. Willing to help out the best that I can and get someone back on their feet. God Bless America

33

Name:  
 (Private Email)  
 City: Shreveport, LA, 71105 Phone:  
 (Private Email)  
 Email: gttaylor@bellsouth.net  
 # of People that can be Accommodated: 3 Available Rooms: 2 Living Situation: Shared housing  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: We are willing to share our home with a white woman with children or a married white couple with children. We have a 2-story house we are willing to share with someone who is trying to rebuild their lives. You will be required to help with utilities and food, After you seek and find employment rent will also be required after you find employment.

34

Name:  
 (Private Email)  
 City: Urания, LA, 71480 Phone:  
 (Private Email)  
 Email: roni\_99\_2000@yahoo.com  
 # of People that can be Accommodated: 3 Available Rooms: 2 Living Situation: Shared housing  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: We are willing to help a family of 3 or single mom with kids or elderly couple. We are a white couple and prefer a white family due to the neighborhood we live in. Our neighborhood is small and we are close to schools. God be with you all.

35

Name:  
 (Private Email)  
 City: Clarkston, MI, 48348 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 2 Available Rooms: 2 Living Situation: House  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: 1-4 weeks

Comments: We would welcome a single mom with one child up to 10 years old. We have an 8 year old boy. We have 2 bedrooms and a private bathroom. We live southeastern Michigan and we have a big yard and sidewalks for kids to play. Unfortunately we cannot provide transportation here. The schools are excellent. The length of your stay may be extended if things work well. Prefer white or hispanic background. Must be drug free. We will help with clothes and such through our church.

36

Name:  
 (Private Email)  
 City: Detroit, MI, 48071 Phone:  
 (Private Email)  
 Email: jennifercarlson22@hotmail.com  
 # of People that can be Accommodated: 1 Available Rooms: 1 Living Situation:  
 Apartment/Condo  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: I am a single white female living alone age 27 and would prefer someone of my age category, race and female. I have one extra bedroom and could help her find a job maybe at a restaurant or something and allow her to stay here until she get on their feet again. I live in an area where there are plenty of places within walking distance to many jobs. Let me know if i can help. Thank you, Jennifer Carlson

37

Name:  
 (Private Email)  
 City: McMillan, MI, 49853 Phone:  
 (Private Email)

Name:  
 (Private Email)

# of People that can be Accommodated: 2 Available Rooms: 2 Living Situation: Shared housing  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: Having lived in New Orleans for years I feel that I need to try and help out a couple people. I am located way up here in Michigan's Upper Peninsula near the Canadian border. It is very rural and rustic with just a few minimum wage jobs available. Therefore there are no African Americans within miles, and they would probably feel out of place in this area, because there are no jobs to support a family. So if there are one or two young white men between the ages of 18-25 who are in need of short term housing, and are willing to take low wage jobs such as bagging groceries or stocking shelves etc, just to take care of their basic needs, I will furnish the room and board for deserving persons. They must be honest and open minded and willing to chip in with house work etc. I will interview any interested persons by phone. I am retired military and I have a four bedroom home but only one bathroom. I live alone and so because of only having one bathroom, I prefer males only.

Name:  
 (Private Email)

City: Madison, MN, 56256 Phone:

(Private Email)

Email: scottlardy@msn.com

# of People that can be Accommodated: 3 Available Rooms: 2 Living Situation: House  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: we are a loving, white family of 6. the town is small and very safe and children friendly. we would love to help a single mom with 1-2 kids for as long as we can. would prefer to have a white family as very few blacks live here and may feel out of place. we are 37 and 39 i am scott and my wife lisa is a super mom. i hope we can help, even though we are north. scottlardy@msn.com or 1320 226 0812 is cell,,, good luck and god bless!

Name: City: Mankato, MN, 56001 Phone: 507 381 4518 Email: crsteffen@earthlink.net

# of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: Shared housing  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: I am a single white lady age 47 and would prefer a single balck male. Let me be your friend and help as much as possible.

40

Name: City: Florissant, MO, 63031 Phone: 314-395-4545 Email: amanda\_s\_koch@yahoo.com  
 # of People that can be Accommodated: 2 Available Rooms: 1 Living Situation: Shared housing  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: We are a mid 20's white family with 3 children ages 2-6. Willing to help a single white mid 20's mother with young child/children. We live close to employment and pretty much everything else. We homeschoold our children but have great public schools also.

41

Name: City: Independence, MO, 64052 Phone: 816-729-8700 or 816- Email: riserco@hotmail.com  
 # of People that can be Accommodated: 5 Available Rooms: 2 Living Situation: RV/Camper  
 Private Bathroom: YES Private Kitchen: YES Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: We are a husband and wife living near kansas city missouri. We do have a 32 foot motor home equipied with all admintities such as fridge, ac, shower, bathroom one full size bed and two single beds, closet space etc. We don't have much money however we have made some arrangements for finincal help such as food, clothes etc. until such family is able to provide for themselves. After family begins to make money we would like some type of assistance such as electric or partial repayment. We prefer mother with children but we will except both paretns with more than one child. We do apologize but we are requesting only white or chinese families. Sorry. If you have any questions or have a family in mind feel free to call or email, calling would be better. We may be able to provide transportation by picking up the family. We reserve the right to refuse or expel anyone at any given time for any given reason.

42

Name:  
 (Private Email)  
 City: Warsaw, MO, 65355 Phone:  
 (Private Email)  
 Email: cseggel1@aol.com  
 # of People that can be Accommodated: 4 Available Rooms: 2 Living Situation: Shared housing  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: We can accomodate a family or 4 possibly 6. We have 2 basement bedrooms with a seperate bath + 1 air bed that sleeps 2. Children can go to school in Missouri & will be supplied what they need as they are considered homeless. This is not an integrated community so I hate to appear prejudicial but white race would probably be better for our circumstances. I am so sorry about that. Most helpful if the person(s) have their own vehicle. Smoking would be out of doors only. If we know ages of the children,(if any) we will try to have some clothing available. Please advise what needs these folks have.

43

Name:  
 (Private Email)  
 City: WILMINGTON, NC, 28403 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 2 Available Rooms: 2 Living Situation: Array  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: WILLING TO HELP A MOTHER AND CHILD... WILLING TO ADOPT ONE CHILD... WHITE FAMILY WILLING TO ADOPT SAME... WILLING TO ACCOMMODATE A COLLEGE STUDENT  
 AT LOCAL UNIVERSTY OF NORTH CAROLINA WILMINGTON

44

Name:  
 (Private Email)

City: Albuquerque, NM, 87123 Phone:  
 (Private Email)  
 Email: none@none.com  
 # of People that can be Accommodated: 3 Available Rooms: 2 Living Situation: House  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: NO Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: Wants to house a white family only. Might be able to provide job sharing.  
 Requesting to house the Mullberry Family shown on channel 4, Man, Wife  
 & Son.

45

Name: City: Bellmore, NY, 11710 Phone: 516-244-0204 Email: jctyper1@optonline.net  
 # of People that can be Accommodated: 1 Available Rooms: 1 Living Situation:  
 Apartment/Condo  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: Looking for 1 single white female to share basement apartment in Bellmore  
 Long Island N.Y.

46

Name: City: Buffalo, NY, 14052 Phone: 716-523-7673 Email: Pamula00@hotmail.com  
 # of People that can be Accommodated: 3 Available Rooms: 3 Living Situation: House  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: We live in the suburbs of Buffalo in an all-white community. Prefer single  
 mother with children. Our home is a four bedroom house...three bathrooms.  
 We have two children who just left for college. We have lots of love and care to offer a  
 needy family. Both my husband and I are employed and can afford  
 to shelter displaced victims. We have an extra car for their use in getting a job.

47

Name: City: dunkirk, NY, 14048 Phone: 716-366-0008 Email: dadzgirl6@yahoo.com  
 # of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: House  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: < 1 week

Comments: I am a single mom of 6 and have a 5 bedroom home. i have no transportation or extra money but i am willing to take in someone who needs a place to stay. I am white and my children are blk so it might be better for someone blk to be housed with me...in case of predjudice. Children are more then welcome. good luck and god bless, i hope u take my offer into consideration.

48

Name:  
 (Private Email)  
 City: Pomona, NY, 10970 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: House  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: Room and board available for a white, spanish, or indian single female.

49

Name: City: STATEN ISLAND, NY, 10306 Phone: 17183512935 Email:  
 TOWBTRYED@AOL.COM  
 # of People that can be Accommodated: 1 Available Rooms: 2 Living Situation: House  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: NO Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: 4-8 weeks

Comments: WOLD PERFER A WHITE FAMLEY BUT WOULD HELP ANY PLEASE EXCUSE MY BIGGORTY

50

Name: City: scio, OH, 43988 Phone: 740-945-0357 Email: alk4ever2005@aol.com  
 # of People that can be Accommodated: 4 Available Rooms: 2 Living Situation: House  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: we would like a white american family please.

51

Name:  
 (Private Email)  
 City: Wooster, OH, 44691 Phone:  
 (Private Email)  
 Email: SoftHearted02@aol.com  
 # of People that can be Accommodated: 3 Available Rooms: 3 Living Situation: Shared housing  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: small college town rural setting in low crime area with good schools.  
 Although our financial means are average, our home is large w/ 5 bdrms and  
 3 1/2 baths as well as 2000 sq. ft. in the walkout basement. We are a family of 5, 1 son in  
 college, 1 son a sr. in h.s. and a 9 yr. old daughter. It is  
 my first duty to protect my daughter so a single mom or a couple of older woman would  
 probably suit this situation best, although a family would be possible.  
 Community and church support for all - temp. employment, material goods etc. It had  
 occurred to me that being a very predominantly white rural setting  
 may be an addl. difficult adjustment for a Black American that they just dont need right  
 now on top of everything else. Just concerned for THEIR sake.  
 Our home is open to all races as we look at their hearts not their skin color. Thank you  
 and God Bless

52

Name: City: oklahoma city, OK, 73159 Phone: 685-3725 Email: mrmggoody1@aol.com  
 # of People that can be Accommodated: 2 Available Rooms: 1 Living Situation: Shared housing  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: \$200.00 Duration of Availability: depends

Comments: This is a bedroom in my home with bunk beds for a woman an child, or  
 2children.or teens, or sisters,or orphans. I'am a christain white man 54  
 yrs old an would perfer to have the same race, age is not a factor. nothing except your  
 clothes would be needed, and if you don't have any we could get  
 some. Excellant schools are within walking distance. Employment here is good, and  
 could help with transportations to and from. I'm a nice man a father  
 an a son, easy to get along with ,just wanna help

53

Name:  
 (Private Email)  
 City: Tulsa, OK, 74133 Phone:

(Private Email)

Email:

(Private Email)

# of People that can be Accommodated: 3 Available Rooms: 3 Living Situation: House  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: \$100.00 Duration of Availability: depends

Comments: I am a divorced 53 year old women, 20 years married ended 4 years ago. I am a straight white Christian woman and would prefer a white person or persons to assist. It does not matter if they have any faith I do not want to change them I believe everyone should believe what they chose. I would prefer a single white women or a married couple or a married couple with 1 or 2 children. The 100.00 would only be to help with he utilities nothing more and would consider nothing at all money wise if they will understand I am not rich I survive from check to check I do have a beautiful home in South Tulsa a culda-sack to play ball etc for children. The home has 4 bedrooms 3 bedrooms upstairs and one full bathroom. One bedroom downstairs with a full bathroom which I would stay in. One half bathroom downstairs in utility room. I would also help them find a job and try to get them to where ever they want to go.  
 I work for the City of Tulsa good job just not high paying but I have a heart of gold and would love the chance to help someone in need and will do anything I can do to assist him or her..

Name:

(Private Email)

City: PORTERSVILLE, PA, 16051 Phone:

(Private Email)

Email:

(Private Email)

# of People that can be Accommodated: 3 Available Rooms: 1 Living Situation: House  
 Private Bathroom: NO Private Kitchen: YES Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: willing to take in couple with one child or single parents with child. also willing to take in for the time needed children whos parents need time to rebuild and want the children in school while this is going on. have child clearance because of working with children in our church and I am a school bus driver. My only problem is that I am requesting the people to be white. I nothing against the colored but because of where we live ( we have very few)

I do not want to add to the problems they already have by making them feel out of place or for the children to have to put up with racist behavior from other children. Thank you.

Name: City: Pottstown, PA, 19464 Phone: 610-970-4273 home Email:  
(Private Email)

# of People that can be Accommodated: 2 Available Rooms: 1 Living Situation: Shared housing  
Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES  
Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: \*\*U.S. POSTAL SERVICE EMPLOYEES\*\* The USPS is attempting to transfer those affected by Katrina. Clerk, MDO, SDO, mailhandler, custodian, maintenance.  
Verifiable employment of the USPS. Single white female w/teenage son and 2 cats is offering FREE, 1 private BDRM. and sharing of the rest of my home for SWF and 1 child and 1 pet. Length of stay 90 days. I am @ Southeastern P&DC, 20 minutes from home. I work Tour 1 (10pm to 6:30am). Will assist in seeking transfer to Southeastern or local AO. Will attempt to provide transportation out of devasted area via bus or train, cost pending. Smoker - ok. NO drugs or alcohol If we can help please call.

Name: City: Sharon, PA, 16146 Phone: 724-347-7576 Email:  
[thomasmerchant@hotmail.com](mailto:thomasmerchant@hotmail.com)  
# of People that can be Accommodated: 6 Available Rooms: 6 Living Situation: House  
Private Bathroom: YES Private Kitchen: YES Children Allowed: NO  
Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: NO  
Cost of Rent: FREE Duration of Availability: depends

Comments: We own a house that we are willing to permit GAY males to reside in. We are part of the gay community and feel that there are other gay males from the storm area that may be in need of housing. Applicants must be gay white or light skinned hispanic males. A group of gay, bi or straight teen males that have been left homeless by the storm. Someone who maybe willing to help with work that we need done at rental properties that we own in exchange for their housing. The house we have in mind needs cleaned up on the outside and painted on the inside. We can probably assist in the obtaining of household furniture and furnishings. It has three bedrooms, two full baths a kitchen, living room and dining area. Kitchen appliances are also available. It's a

roof over your head for now. Available as long as it takes for you to get on your feet as long as you make a effort to do so. Young HOMELESS gay, bi or straight white or light skinned hispanic males preferred, must be over 18 years of age who have lost family, loved ones or partners. We have to provide for our own. Others should attempt to understand and should try not to be offended. We are gay males and want to address a specific group of individuals. As it is commonly referred to, protect our own.... We will see what can be done to assist with transportation needs to Sharon, PA.

57

Name: City: Greenville, SC, 29690 Phone: 864-834-1500 Email: no@no  
 # of People that can be Accommodated: 5 Available Rooms: 3 Living Situation:  
 Individual Housing  
 Private Bathroom: YES Private Kitchen: YES Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: House was just fixed up to sell so home owner would like a family to take good care of it. Home is in white community. Home owner will take care of houseing but family will take care of utilities.

#### **Religion**

58

Name: City: Elwood, NE, 68937 Phone: 308-962-7784 Email: sunrise@atcjet.net  
 # of People that can be Accommodated: 2 Available Rooms: 2 Living Situation: Shared housing  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: Honest; Christian married white couple, mid 40's, (we have no childern) lots of room. We are farmers/ranchers/horse breeding operation, offering their lovely 4 bedroom, 3 bath ranch home to a **Christian moral couple in need of shelter**. Lower level private living quarters, includes bedroom/ bath, family entertainment room fully furnished in handsome western theme. Free rent, along with old fashioned home cooked meals, job hunting assistance & transportation assistance & we are able to purchase clothing for you. We are willing to help rebuild your lives & get you back on your feet again. God Bless You all!  
 Hugs & Prayers :)

59

Name:  
 (Private Email)  
 City: Shreveport, LA, 71105 Phone:

(Private Email)

Email:

(Private Email)

# of People that can be Accommodated: 4 Available Rooms: 1 Living Situation: House  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: depends

Comments: Prefer white catholic family, children welcome.

60

Name:

(Private Email)

City: San Diego, CA, 92071 Phone:

(Private Email)

Email: ibarrakids@yahoo.com

# of People that can be Accommodated: 3 Available Rooms: 1 Living Situation: Shared  
 housing|Individual Housing|RV/Camper  
 Private Bathroom: YES Private Kitchen: YES Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: Are you ready to start a whole new life in CA? We are looking for a **single christian mom** with 1-2 small kids to bless with a new life. An infant would be a blessing to us too. Studio apt attached to home being completed in 3 weeks. Can provide home in an RV or pop up tent trailer until it is finished at a nearby campground. We will feel most comfortable blessing someone with the same ethnicity as us. We are white. We are a christian family and have dogs and cats and would love to help a single Mom start a whole new life. Someone who does not have family and would like to be part of our family. Kim and family

61

Name:

(Private Email)

City: North Little Rock, AR, 72116 Phone:

(Private Email)

Email:

(Private Email)

# of People that can be Accommodated: 2 Available Rooms: 1 Living Situation: Shared  
 housing  
 Private Bathroom: NO Private Kitchen: YES Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: We are a 62 year old Christian white couple with big hearts and a spare bedroom. We have two bathrooms but would need to share them. We have a living area, kitchen and laundry room that would also be shared. We will help with transportation as needed, within reasonable limits, due to both of us working full time. The most important thing we pray for is to able to **help other Christians in need.**

#### **Sexual Orientation**

62

Name: City: Ellicott City, MD, 21042 Phone: 410-627-8429 Email: ronbarber@comcast.net  
 # of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: House  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: I am a 50 year old single white christian man willing to provide housing for someone. I live in a 3 bedroom, 2 full bath, with finished basement stone rancher in an excellent neighborhood. I will offer private bedroom and private bathroom all other rooms will be shared (i.e. kitchen, living, dining etc.) I currently live by myself. I am a father of two teenage boys that visit occassionally (the boys live with their mother approx. 3 miles from me). Drug, alcohol, and tobacco free please. **Gays and lesbians Not welcome.** I can assist with finding employment.

#### **Gender**

63

Name: City: Foley, AL, 36535 Phone: 251-971-6800 Email: trice789@msn.com  
 # of People that can be Accommodated: 1 Available Rooms: 1 Living Situation: House  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: We prefer a **middle aged working man** but we will consider any survivor. I live with my son, his wife, who is expecting a baby in November, and my granddaughter 13. We have one spare bedroom with twin bed but the bathroom and kitchen we all use together as a family. We are white but will consider any race. Once the person goes to work I feel they shuld help some with the overall expenses. I will take the person around the area to help them seek employment. My son is a clean and sober alcholic so we don't want anyone who drinks or does drugs. We do have indoor pets. Any religion is OK providing

the worshiping is done at their church of choice. We will consider a gay person provided they are discreet about their sexuality.

#### **Family status**

64

Name: City: Linden, MI, 48451 Phone: 348-8478 cell Email: amybeloved@netpenny.net  
 # of People that can be Accommodated: 6 Available Rooms: 3 Living Situation: Shared housing  
 Private Bathroom: YES Private Kitchen: YES Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: We would like to explain that we are a Christian family. We have two young children, girl 5 year, boy 3 years. It would be great if we could have a family with the same age children. We are willing to let this family stay downstairs in our finished basement until they can find a job and alternative housing. We will be willing to help out with transportation on a limited time basis. We live out in the country with lots of room to play, so we encourage a family with young children. We do live in a predominately white town, but we are only twenty minutes from downtown Flint. We would like to **help a two parent family** if possible.

65

Name: City: Centennial, CO, 80122 Phone: (303) 358-5632 Email: jcwhite@viawest.net  
 # of People that can be Accommodated: 5 Available Rooms: 1 Living Situation: Shared housing|House  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: depends

Comments: Want to offer our basement to survivors. Basement is furnished with a private bathroom and bedroom and lots of floor space for air mattresses and sleeping bags. Want to **help single moms with kids most of all** since we sense they are hurting the most - but will consider any in need. Email jcwhite@viawest.net or call 303-358-5632. <><

#### **Language**

66

Name: City: Middleburg, FL, 32068 Phone: 904-291-6066 Email: jhfreybaby@aol.com  
 # of People that can be Accommodated: 2 Available Rooms: 1 Living Situation: Array  
 Private Bathroom: NO Private Kitchen: NO Children Allowed: NO  
 Pets Allowed: NO Smoking Allowed: YES Willing to Transport Survivors: YES  
 Cost of Rent: FREE Duration of Availability: > 8 weeks

Comments: I prefer older couple. Husband and wife, They have to like dogs because i have five. We have a four bedroom house with two full baths. The couple will have their own room. I have my brother living with us and I have two boys 18-19. I might have another room available soon. I don't work so I will be able to be some support to the victims. black or white is OK. **I want english speaking victims.** Thank you.

67

Name: City: Angie, LA, 70426 Phone: 985-986-3281 Email: mm41856@yahoo.com  
 # of People that can be Accommodated: 4 Available Rooms: 2 Living Situation: Shared housing  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: YES Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: \$150.00 Duration of Availability: depends

Comments: No alcoholics, no drug abusers, no untreated mental illness, no criminal record, I would just like a decent family needing a place to live. **Must speak english.** No snakes or cats or rodents for pets, but dogs are okay. Must be able to be self-sufficient, I'm on a fixed income and they need to be able to provide for their own necessities. Would prefer a white family, but I am flexible.

#### Other

68

Name:  
 (Private Email)  
 City: upper makefield travel, PA, 18940 Phone:  
 (Private Email)  
 Email:  
 (Private Email)

# of People that can be Accommodated: 4 Available Rooms: 2 Living Situation: Shared housing  
 Private Bathroom: YES Private Kitchen: NO Children Allowed: YES  
 Pets Allowed: NO Smoking Allowed: NO Willing to Transport Survivors: NO  
 Cost of Rent: FREE Duration of Availability: 4-8 weeks

Comments: must have own car/ Perfect for family with 2 kids-school age. **'EDUCATED' survivors ONLY NO DRUGS** we are: White Catholic/Protestant Location: semi-rural. NE of Philadelphia in Bucks County near New Hope and Yardley. We live in the 'sub-boonies'.... 1 hour from Philadelphia and there are NO public busses.  
 Accommodations: Very up-scale neighborhood. Our house 4000+ sq. ft. Bedroom #1 - one bedroom with 2 single beds in walk-out basement (no closet) with big window. bathroom 'down-the-hall' with shower (bath is 'shared' with guests when viewing TV) Bedroom #2 - one bedroom on 2nd floor with queen bed and private

bath. Accommodations perfect for couple with 2 children. School District: Council Rock Elementary School Children are bussed to school - school is 1 mile away. Middle School and HS are 5 miles away - kids are bussed. I do not know if Council Rock will take kids during your stay?! ([www.crsd.org](http://www.crsd.org))



#### TESTIMONY OF LAWYERS COMMITTEE FOR CIVIL RIGHTS UNDER LAW

Thank you for the opportunity for the Lawyers' Committee to participate in this hearing. My name is Joe Rich and I am Project Director of the Fair Housing and Community Development Project at the Lawyers Committee for Civil Rights under Law.

The Lawyers' Committee is a nonpartisan, nonprofit organization established in 1963 at the request of President John F. Kennedy to involve the private bar in providing legal services to address racial discrimination. The mission of the Lawyers' Committee continues to be securing equal justice under law for those most subject to discrimination in our country. The Lawyers' Committee fulfills its mission by using the skills and resources of private law firms to address matters of racial justice and economic opportunity through legal action, transactional legal services, public policy reform, and public education. For over four decades, the Lawyers' Committee has advanced racial, ethnic and gender equality through a highly effective and comprehensive program, primarily in the areas of educational, fair employment and business opportunities, community development, fair housing, environmental health and justice, and meaningful participation in the electoral process.

In the wake of Hurricanes Katrina and Rita, Barbara Arnwine, Executive Director of the Lawyers' Committee, established a Disaster Survivors Legal Assistance Initiative to address problems that victims of the disaster were experiencing in our core areas of work – fair housing and community development, voting, employment, environmental justice and education. This Initiative is receiving very high priority in the work of the Lawyers' Committee. There has been particular emphasis on housing and community development issues on the Mississippi Gulf Coast and in New Orleans. In addition to myself, there are two staff attorneys assigned to the Fair Housing and Community Development Project and since the hurricane I estimate that 80-90% of our time has been spent on this initiative. The Lawyers' Committee's Voting Rights Project has also been devoting extensive resources to the voting rights of persons evacuated as a result of the hurricanes, particularly in New Orleans where local elections were recently rescheduled for April 22.

Attachment A to this written testimony describes the activities of the Fair Housing and Community Development Project in response to the hurricanes. One of the activities listed is the filing of complaints with HUD on behalf of the Greater New Orleans Fair Housing Action Center (GNOFHAC). In these complaints, the GNOFHAC alleges that five internet websites that had been set up as housing advertising sites for Hurricane Katrina victims, were listing explicitly discriminatory advertisements in violation of the Fair Housing Act. In his letter to me on February 22, Congressman Ney specifically asked for comments on this issue. Accordingly, I will discuss it first.

## I. DISCRIMINATORY ADVERTISING FOR HOUSING ON THE INTERNET

The internet sites that are the subject of the HUD complaints included advertisements that subjected families looking for housing to numerous offensive and shocking ads, including statements such as “not racist but white only,” “2 bedrooms, pvt bath, use of whole home, for white family of up to 5” and “[w]e would prefer a middle class white family.” Under the Fair Housing Act, if such advertising were published in a newspaper, it would be a clear violation of Section 804(c) which prohibits notices, statements or advertising with respect to the sale or rental of housing “which indicates any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin. . . .” In the complaints filed with HUD against the internet websites, we maintain that such discriminatory housing advertising posted on websites also violates the Fair Housing Act. However, Section 230(c)(1) of the Communications Decency Act (CDA) provides an argument that providers of “interactive computer service” are immune from such claims, because of the following language: “No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information content provided.”

In recent years, there have been several fair housing act claims against internet providers for discriminatory advertising. The broad immunity defense provided by the CDA is now routinely and, on one occasion successfully, invoked to dismiss this kind of Fair Housing Act claim even though the language plainly states that the CDA immunizes internet providers only “from liability from *defamatory or obscene speech*” when the defamatory or obscene material is provided by someone else.

If courts accept the distinction urged by internet providers that there is a difference between housing advertising in the print media and such advertising or posting on the internet, the result would be absurd – discrimination that is illegal in print media would be permitted on the internet. To make this proposition even more absurd, housing advertising on the internet is growing significantly while declining in the print media. **To avoid the growing litigation on this issue, we strongly urge Congress to adopt a simple amendment to the CDA which makes clear that nothing in the CDA limits the application of federal civilrights laws, including the Fair Housing Act or any similar state law.**

## II. THE DUTY TO AFFIRMATIVELY FURTHER FAIR HOUSING

A broader fair housing concern related to housing relief for hurricane victims is ensuring compliance with Section 808(d) and (e) of the Fair Housing Act, 42 U.S.C. §§ 3608(d), (e) which requires federal agencies (and agencies receiving federal housing assistance) to administer all programs and activities related to housing “in a manner affirmatively to further” fair housing. This provision imposes “a substantive obligation to promote racial and economic integration” in administering federal housing programs. *Alschuler v. HUD*, 686 F.2d 472, 482 (7th Cir. 1982). Furthermore, an agency’s affirmative duty is not merely to refrain from discrimination, but to use federal programs

to actively promote the goals of the Fair Housing Act – including, of course, not contributing to the displacement and exclusion of minorities.<sup>1</sup> At a minimum, this obligation to affirmatively further fair housing requires those administering federal funds to consider the effects of housing policy decisions on racial segregation.<sup>2</sup> Certainly, “[t]he absence of any record of fair housing considerations,” Langlois, 234 F. Supp. 2d at 78, runs afoul of the Section 3608 affirmative obligations.

There are several housing issues related to hurricane relief that raise serious Section 808 compliance concerns, which are discussed below. In particular, we are concerned that the federal housing response through agencies such as FEMA and HUD is proceeding without proper consideration of fair housing issues – and as a result may exacerbate segregation and exclusion of African-Americans from coastal areas devastated by the storm. It would be a cruel turn of events indeed if, having spent the days and weeks following Katrina confronting the impact of urban policies which concentrate and abandon large numbers of poor people, our federal government ignores issues of exclusion and segregation in its long-term response.

#### **A. Use of Community Development Block Grant (CDBG)**

Among the Lawyers’ Committee’s chief concerns is that low- and moderate-income renters and homeowners, particularly African Americans, not be left behind in federal and state reconstruction and rebuilding programs. Given the destruction of much affordable rental housing in the storm, and the subsequent loss of many affordable units in areas where rents have skyrocketed and eviction proceedings have been filed at an alarming rate, the threat that many low-income renters will be permanently displaced from the Gulf Coast is all too real.

One federal program especially well-suited to support the rehabilitation and rebuilding of affordable rental and owner-occupied housing in a manner that furthers fair housing for minorities is the CDBG program. The Defense Department appropriations bill, signed into law at the end of December 2005, includes a spending reallocation of \$11.5 billion in CDBG funding for disaster relief, long-term recovery, and restoration of infrastructure in the states most heavily impacted by hurricanes Katrina, Rita, and Wilma. HUD subsequently announced that Mississippi was allocated approximately \$5 billion

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<sup>1</sup> See *NAACP, Boston Chapter v. Sec'y of HUD*, 817 F.2d 149, 154-55 (Breyer, J.) (1st Cir. 1987); *Anderson v. Alpharetta*, 737 F.2d 1530, 1535 (11th Cir. 1984); see also *Langlois v. Abington Hous. Auth.*, 234 F. Supp. 2d 33, 72 (D. Mass. 2002).

<sup>2</sup> In the seminal *Shannon v. HUD*, 436 F.2d 809, 820 (3d Cir. 1970), the Third Circuit found an agency’s failure to consider the effects of its housing policies on racial segregation “impermissible.” The holding is clear: an agency cannot meet its affirmative obligations unless it gathers data and considers all relevant racial and socioeconomic factors related to its decision’s effects. See *id.* at 822-23, 821. Numerous precedents similarly require agencies to collect data and consider the racial impacts of their housing decisions. See, e.g., *Alschuler v. HUD*, 686 F.2d 472, 482 (7th Cir. 1982); *Langlois v. Abington Hous. Auth.*, 234 F. Supp. 2d 33, 78 (D. Mass. 2002); *Project B.A.S.I.C. v. Kemp*, 776 F. Supp. 637, 642 (D.R.I. 1991); *Young v. Pierce*, 685 F. Supp. 975, 978 (E.D. Tex. 1988); *Business Ass’n of Univ. City v. Landrieu*, 660 F.2d 867, 869 (3d Cir. 1981); *Jones v. Tully*, 378 F. Supp. 286, 292 (E.D.N.Y. 1974); *Blackshear Residents Org. v. Housing Auth. of the City of Austin*, 347 F. Supp. 1138, 1147 (W.D. Tex. 1971).

and Louisiana, \$6.2 billion. However, this spending may not reach the households most in need. While under the appropriations bill at least 50 percent of the funds must benefit primarily people with low and moderate incomes in each state (a reduction itself from the normal 70% CDBG requirement), HUD may waive even this requirement if it finds a "compelling need" to do so.<sup>3</sup>

Each state must submit to HUD a plan for the proposed uses of the special CDBG funding allocated to them. Thus, the states have very broad leeway on how much of the funds to use for housing and what type of housing activities to fund. The present proposals for use of CDBG funds in the plans for Mississippi and Louisiana focus almost entirely on the housing needs of homeowners who did not have flood insurance. Reports of the proposed plans for each state indicate that the CDBG funds will be used to provide grants of up to \$150,000 to homeowners whose property was flooded by the hurricane and who live outside the federally designated flood zone. There can be no doubt that homeowners throughout the Gulf Coast suffered devastating housing losses and that directing CDBG funds to address their needs is essential.

At the same time, the plans badly neglect the needs of the poorest of the citizens affected by the hurricane. There is nothing in the reported state plans which commit 50% of the CDBG money to low and moderate homeowners. Furthermore, other aspects of these plans are likely to lead to the exclusion of even more lower-income, minority homeowners from eligibility for CDBG financial assistance. For example, the proposed plan for Mississippi requires that for a homeowner to be eligible for a grant, he or she must have maintained homeowners' insurance on his or her property – a requirement that will exclude homeowners who are poor or on fixed incomes and often can not afford such insurance.<sup>4</sup>

These shortcomings raise basic other fair housing concerns. It is well documented that low and moderate income persons are disproportionately minority. Moreover, this group is also disproportionately renters. The failure to adequately address the needs of these victims of the hurricane is a failure to affirmatively further fair housing. The lack of commitment in either of the proposed plans to renters is a very stark example of this failure to meet the Fair Housing Act's requirement that federal housing assistance be used to affirmatively further fair housing. We are hopeful that before these plans are finalized and submitted to HUD, changes will be made to the plans to meet this duty and provide appropriate housing assistance be provided to low income people in the disaster areas. At a minimum, it is fair to require the plans submitted by the states to demonstrate how those plans meet the variety of housing needs, particularly those of lower income people which are *not* being met by existing federal programs. **But should this not occur, it is particularly important that HUD ensure this Fair Housing Act**

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<sup>3</sup> More recently, on February 16, the Bush Administration proposed a supplemental funding bill that would provide an additional \$4.2 billion in CDBG funding for Louisiana.

<sup>4</sup> The Mississippi plan is especially troubling because the Governor's Commission report specifically includes a recommendation that a portion of CDBG funds should be directed to very low income people, especially renters trying to become homeowners, and that such grants should be run through the Enterprise Corporation of the Delta and a proposed new state Community Development Entity.

requirement is met when it reviews the plans submitted by Mississippi and Louisiana, as well as the expected requests for waivers of the provision in the December, 2005 appropriation requiring 50% of the funds be used to benefit low and moderate income people. Indeed, it is hard to see how the “compelling need” standard of the appropriations bill could be fairly met if the effect of the waiver is to reduce the amount of CDBG funds for low moderate income persons is waived.

#### **B. Loss and Threatened Loss of Affordable Housing**

Equally troubling is that the proposed plans for Mississippi and Louisiana do not include adequate provisions for rehabbing or rebuilding of federally subsidized/affordable housing in disaster areas. The conference report accompanying the Department of Defense appropriations bill includes two directives intended to promote the preservation of affordable housing that relies on project-based assistance. First, Congress directed the Secretary of HUD to preserve, to the extent possible, all housing within the disaster area that is supported by the Section 8, public housing, Section 202, Section 811, HOPWA, or McKinney Homeless Assistance Grant programs. Second, the Secretary of HUD is ordered by Congress to report within 4 months on the status of these housing units and the costs of repairing any that were damaged in the storms.

Nonetheless, neither of the state CDBG plans or the federal legislation include specific funding to assist in these efforts. The Lawyers’ Committee’s experience during its Disaster Survivors Legal Assistance Initiative shows that because of this, many low-and moderate-income families may have to leave the coast. As described in Attachment A, we have seen first hand the devastating impact of this lack of assistance on poor people in Gulfport, Mississippi. While holding a community workshop at the end of October, 2005, a group of African-American tenants living at Edgewood Manor, a federally subsidized apartment building, complained of conditions at the building and threats to evict them. Through our representation, the threatened evictions were stopped. But to this day, the appallingly bad conditions at Edgewood Manor continue. Just last week, one of the tenants of Edgewood Manor was interviewed on the Oprah Winfrey demonstrating these conditions and described how she still was without toilet facilities and instead must use a bucket. The HUD regional office has been unresponsive to this situation and has not pushed the owners to rehab the property. In other situations, subsidized housing owners are simply waiting to repair their properties while HUD takes no apparent steps to spur them to action. HUD can should be proactive in getting these desperately-needed subsidized properties back in use, whether by using the stick of its existing subsidized housing agreements or the carrot of bridge financial assistance to restore properties to affordable stock while owners resolve their insurance disputes.

In addition, the lack of funding in the state plans to assist in the rehabbing and rebuilding of such buildings will only exacerbate the housing crisis for low income, minority citizens. In Mississippi, the needs of low and moderate income people were overlooked despite specific recommendations in the Governor’s Commission report, which recommended, among other things, that the plan include (1) a pilot project designed to rebuild a destroyed HUD complex as a high-density, mixed use project

employing identified best practices, with HUD and CDBG funds covering affordable elements, and private developers the rest; (2) minimum standards for affordable housing to ensure that it remains affordable (by keeping utility costs down and minimizing need for maintenance); and (3) an oversight entity to oversee all aspects of reconstruction and funding coordination.

**The reduction in federally assisted housing for low and moderate income persons is a failure to affirmatively further fair housing. It is crucial that HUD in overseeing CDBG and other federal funding, and the states in their rebuilding plans, provide assistance in rebuilding and rehabbing apartment complexes providing such housing.**

#### **C. Public Housing in New Orleans Has Been Only Minimally Restored**

Six months after Hurricane Katrina, most of the public housing in New Orleans remains closed. The Housing Authority of New Orleans (HANO) has yet to announce a plan for rebuilding, rehabbing and reopening these units. Indeed, the very future of public housing in New Orleans is uncertain. At the same time, HANO announced in January that it entered into a contract with Home Depot to lease property on a public housing site even though no steps were being taken to reopen housing.

Public housing serves low income and minority tenants in New Orleans. But, the callous disregard of the housing needs of these citizens is plain. HUD has direct control over public housing in New Orleans because it placed HANO in receivership before the hurricane. **It must take immediate steps to announce and implement a plan that provides housing for public housing tenants displaced by the hurricane in a manner that promotes fair housing goals.**

#### **D. FEMA's Failure to Affirmatively Further Fair Housing**

Like all federal agencies, FEMA has a duty under the Fair Housing Act in implementing any housing program that it operates to affirmatively further fair housing. Not only has FEMA failed in this duty, but it also appears the agency is not even to be aware of it.

As discussed in a February 3 letter to FEMA from Congresspersons Frank, Waters, Watt, Davis, Scott, Jefferson, Melancon and Taylor, FEMA has failed to meet a January 13 deadline in the conference report for the Defense Department appropriations bill to submit a report setting forth guidance to be used in determining continued eligibility for housing assistance after the initial three month grant has run. Yet, more than a month and a half after that deadline and nearly a month since Congress raised this issue, FEMA still has no guidance.

We share the “exasperation” expressed in that letter. Many persons who received the initial \$2,358 for three months rent are near the end of that period and need to recertify to receive continued assistance. The lack of guidance from FEMA is a major

hindrance to the needs of such hurricane victims. It is especially galling that this lack of guidance comes in the face of an explicit Congressional requirement to produce such guidance. FEMA still has *no* transitional housing plan to ensure housing for the thousands of persons still in hotels and motels and whose assistance will expire on March 1. We have great concern that this will result in many persons becoming homeless, significantly increasing the “underclass” population of numerous cities that received displaced families after the storm. Even if FEMA has approved \$2,358 in temporary rental assistance to replace emergency hotel assistance, such a grant will be of little assistance to people located in areas where there are few or no rental units available, or where rents have may have doubled since the hurricane. In short, the present federal disaster assistance scheme has a major gap in it which is likely to greatly increase the housing crisis for victims of the hurricane.

Failing to address this problem violates the Fair Housing Act. Worse, a tragedy that brought the country face to face with its continuing problem of segregating low-income black families may end with the federal government pursuing policies that are likely to exacerbate that disastrous history.

This is a particularly pressing concern for displaced families trying to use FEMA transitional housing assistance (and the analogous HUD disaster voucher assistance program) in the Gulf Coast. Rents and utility costs have increased to such a degree that it is very difficult to find any units that a displaced family can afford to rent at the current assistance level – and those units that are available at these low rent levels are often only in the highest-poverty, depressed neighborhoods that offer displaced families the fewest opportunities to rebuild their lives. While FEMA and HUD have indicated a desire to adjust the “Fair Market Rents” (FMRs) for Gulf Coast communities that have seen market increases since Katrina, this has not happened yet, even six months after the storm. HUD has indicated that it will take at least 5-6 weeks for it to complete its survey before determining if rates need to be raised. FEMA has been looking to HUD to adjust FMRs but recently (at the trial in *McWaters v. FEMA*) that it would not wait for HUD.

This is particularly disappointing in comparison to previous disasters, such as the Northridge, CA earthquake, where in administering disaster housing assistance, HUD took steps to promote housing choices with greater opportunities for disaster victims – both by providing counseling and housing search assistance to displaced families and by affirmatively recruiting landlords outside high-poverty, segregated neighborhoods to participate in the program.

Nor has FEMA been successful in placing trailers in New Orleans to provide temporary housing, which would increase the number of people able to return to New Orleans to rebuild or rehab their homes. Much of local opposition to placing trailers has been a NIMBY mentality that has interfered with the placement of trailers. Moreover, FEMA apparently purchased thousands of mobile homes that sit unused in Arkansas because such mobile homes do not meet FEMA’s own regulations for placement in certain flood plains.

The December, 2005 appropriation required that in addition to providing written guidance on the continuation of temporary rental assistance by January 13, that a comprehensive long-term recovery plan is critical for the rehabilitation of the Gulf Coast, the conferees also charged FEMA to provide the House and Senate Committees on Appropriations with its long-term recovery plan by February 28, 2006.<sup>5</sup> **Given the chaos in the emergency housing situation existing at this time, FEMA must draft such a plan forthwith and the plan must determine ways to affirmatively further fair housing as required by the Fair Housing Act.**

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<sup>5</sup> Both of these provisions are at page 436 of the report at [http://www.rules.house.gov/109/text/hr2863cr/109hr2863\\_jes.pdf](http://www.rules.house.gov/109/text/hr2863cr/109hr2863_jes.pdf).

ATTACHMENT AThe Lawyers' Committee Disaster Survivors Legal Assistance Initiative

Much of the Lawyers' Committee's work has built on its network of contacts in the Mississippi Gulf Coast to directly serve the post-disaster needs of minority families. We are also working closely with the Mississippi Center for Justice (MCJ) to galvanize the *pro bono* legal community to address the vast housing and financial services needs on the Gulf Coast. As described below, the Lawyers' Committee's Initiative has taken the lead in crafting solutions to housing problems faced by low- and moderate-income families disprop

ortionately affected by Katrina in both Mississippi and Louisiana. ← ..... Formatted: Indent: First line: 0"

A. Grassroots Housing Assistance for Hurricane Survivors in Gulfport, MS

- **Community Rights Education Workshops.** To best support community development, avoid land loss and preserve community wealth in the Gulf Coast's historic African-American communities, the Lawyers' Committee has held four community workshops to educate low-income communities about their legal rights after Katrina. Our workshops in North Gulfport and East Biloxi have already reached over four hundred hurricane survivors in critical disaster areas, providing assistance on a range of housing issues, focusing on insurance and mortgage problems, landlord-tenant issues and FEMA benefits and housing programs available to hurricane survivors. Working with volunteer lawyers one-on-one, the workshops address these issues, and cover employment, small business and other homeowners' issues as well.
- **Meeting Minority Homeowners' Unmet Legal Needs.** We plan to expand these workshops as a vehicle for low- and moderate-income homeowners to access private and public funding sources for rehabilitation and new construction in neighborhoods severely damaged or destroyed by the hurricane. In particular, the Lawyers' Committee is working to address minority homeowners' unmet legal needs for individual representation on smaller insurance claims and mortgage disputes, which are critical to the ability of lower-income homeowners to adequately repair and maintain their homes. Since there are few legal services attorneys available on the Mississippi Gulf Coast, the Lawyers' Committee's network of *pro bono* law firms will play an invaluable role in taking on cases for individual representation.
- **Advocacy for Low-Income Tenants.** As a result of one Gulfport workshop, the Lawyers' Committee stepped in to prevent the eviction of 52 families from Edgewood Manor, a federally-subsidized apartment complex. After Katrina, the families had endured terrible living conditions stemming from the property manager's abandonment of the property. Apartments lacked heat and hot water, and some tenants' toilet facilities were inoperable. On top of these conditions, the landlord began telling tenants that they were all being evicted on October 31<sup>st</sup>. Many feared ending up homeless due to the lack of affordable housing options along the Gulf Coast. On the residents' behalf, the Lawyers' Committee and the Mississippi Center for Justice ("MCJ") have forced the landlord to cease his efforts to evict the

tenants. Now, the Lawyers' Committee and MCJ continue to represent the tenants' interests with the City and HUD, ensuring that sound repairs are made quickly, and that the tenants will not needlessly be displaced from their community. Likewise, at the Waters Mark, a 72-unit private affordable housing property, the Lawyers' Committee is representing tenants to stop the landlord from evicting all tenants – with leases running well into 2006 – on New Years' Day. With MCJ, the Lawyers' Committee has also become involved in other situations where landlords seek to evict all tenants from a development, even where units suffered relatively minor damage. The Lawyers' Committee plans to expand this advocacy on behalf of tenants across the Gulf Coast to ensure that families from low-income and subsidized housing will have a voice during the rebuilding process, and that housing damaged and lost in the storm will be repaired and replaced.

#### **B. Legislative Advocacy and Reform**

At the federal, state and local level, the Lawyers' Committee is working to promote legislation and programs that meet the needs of minority families and communities. Working with local organizations, the Lawyers' Committee seeks to incorporate affordable housing choices that connect families to job and educational opportunities into redevelopment plans for Gulf Coast communities – and to ensure that redevelopment does not displace minority communities or exclude low-income families from participation in planning processes. A key component of this effort has been legislative advocacy.

- **Promoting Affordable Housing.** With state and local groups, we are developing options to create and expand state affordable housing programs to meet, such as the creation of state affordable housing trust funds supported through either development impact fees or transfer/recordation fees, and urging much-needed funding of federal housing programs in the Gulf Coast. And we are joining others in pushing to ensure that federal proposals are responsive to civil rights concerns – for example, ensuring federal rebuilding funds include proper controls to help families most in need and adjusting historic preservation funding, which could support revitalization in historic African-American communities, to meet the needs of lower-income minority homeowners.
- **Land Use Planning.** The Lawyers' Committee is also preparing options to permit the use of eminent domain and usufruct by government-sponsored enterprises in ways that will accelerate the redevelopment and renewal of New Orleans communities, but limit displacement and land loss feared by historic African-American communities.
- **Landlord-Tenant Reform.** Further, the Lawyers' Committee and others are working to address pressing needs created by the dramatic reduction in affordable housing due to the storm and dramatic rent increases which followed. These efforts include documenting the extent of the affordable housing crisis on the coast, as well as advocacy to promote more balanced landlord-tenant law, and to restrict efforts to give landlords unfettered discretion to displace tenants. In the Louisiana Legislature's Special Session in November, with others, the Lawyers' Committee worked to create a more balanced House Bill 88, which as originally drafted would have given landlords virtually unfettered rights to dispose of tenant's property without affording the tenants any notice or opportunity to salvage their personal

possessions. In Mississippi's present legislation we assisted the State NAACP in drafting several pieces of legislation including one designed to afford more legal protection for tenants. For example, currently pending in the Mississippi legislature is a bill to prevent self-help evictions, the threat of which has allowed many landlords to displace tenants in violation of their leases and the Mississippi Residential Landlord and Tenant Act.

#### **C. Making Federal Housing Programs Responsive to Disaster Needs**

The Lawyers' Committee brought the pathbreaking *McWaters* litigation against FEMA to accelerate the delivery of desperately needed housing and emergency benefits, to eliminate administrative barriers to aid, and to prevent the displacement of thousands of families from FEMA housing programs as winter approaches. Relief has included the dropping of numerous barriers applicants faced in their requests for assistance – such as the so-called shared household rule (prohibiting separated households living in separate states from both receiving assistance), eliminating the SBA loan application requirement that was simply a procedural burden irrelevant to the vast majority of applicants (and delayed FEMA and SBA's ability to serve applicants by creating a time-consuming additional step). And the suit also led to the extension of housing assistance benefits for evacuees living in hotels and motels until as late as March 1 and beyond. Just last week, the Court held a full trial in the case from February 22-24. One of the major issues raised at this hearing was the dire need for an increase in the rental fair market rates so that the FEMA temporary housing assistance is to be meaningful.

Similarly, along with other organizations, the Lawyers' Committee recently met with HUD Secretary Alphonso Jackson to discuss its disaster response, which has left numerous families displaced from public and subsidized housing on the Gulf Coast without safe, decent and affordable housing options. Issues raised at this meeting focused on the public housing situation in New Orleans, and included how HUD will implement the CDBG provisions of the December, 2005 Defense Department bill and how HUD plans to assist the rebuilding of subsidized housing lost to the hurricanes.

#### **D. Private Housing Discrimination Against Disaster Survivors**

The Lawyers' Committee is also addressing fair housing issues arising out of the hurricane. In December 2005, working with the Greater New Orleans Fair Housing Action Center, the Lawyers' Committee filed HUD complaints alleging that several websites set up to offer housing opportunities to disaster victims included blatantly discriminatory advertisements. The sites subjected families looking for housing to numerous offensive and shocking ads, including statements such as "not racist but white only," "2 bedrooms, pvt bath, use of whole home, for white family of up to 5" and "[w]e would prefer a middle class white family." The complaints seek to have the ads removed, to require non-discriminatory policies to be posted, and to establish the principle that the sites, like newspapers, must appropriately screen ads for illegal and offensive content. We will continue to work with the Fair Housing Action Center to investigate and correct instances of refusal to sell or rent to disaster survivors on the basis of race and other discriminatory reasons.

**E. Ensuring Rebuilding and Redevelopment Plans Include Communities of Color**

Working with local advocates in New Orleans and Baton Rouge, the Lawyers' Committee is also pressing the Housing Authority of New Orleans to make real the "right of return" for thousands of low-income families displaced by the storm – pressing for the re-opening and re-occupancy of habitable developments that were not severely impacted by Katrina, and ensuring the redevelopment and replacement units provide integrated housing opportunities near good jobs and schools rather than exacerbating the segregated housing projects. In the first public housing project to reopen, the Lawyers' Committee is working with the Greater New Orleans Fair Housing Action Center to enforce an agreement with the Housing Authority to allow residents to return to St. Thomas/River Gardens and to eliminate harassment of those who have returned.

**Testimony**  
**Shanna L. Smith, President and CEO**  
**National Fair Housing Alliance**  
**Before the House Financial Services Committee**  
**Subcommittee on Housing and Community Opportunity**

**February 28, 2006**

**INTRODUCTION**

Good afternoon and thank you for this opportunity to discuss fair housing issues in the Gulf Coast after Hurricane Katrina. My name is Shanna L. Smith, and I am the President and CEO of the National Fair Housing Alliance.

The National Fair Housing Alliance (NFHA) is the only national civil rights organization focused solely on eliminating all forms of housing discrimination and promoting residential integration. Based in Washington, D.C., NFHA was founded in 1988 and is a consortium of more than 120 private, non-profit fair housing organizations and state and local civil rights agencies from throughout the United States. NFHA works to educate the public and the housing industry about their rights and obligations under fair housing laws, and it conducts investigations into discriminatory rental, real estate sales, mortgage lending and homeowners insurance practices throughout the nation.

**Evidence of Race Discrimination:** Within three weeks of Katrina striking the Gulf Coast, NFHA implemented a rental testing investigation to determine if racial discrimination was limiting or denying housing to families who were forced to evacuate their homes in New Orleans, LA, and Biloxi and Gulfport, MS. Initially, NFHA attempted testing in Louisiana and Mississippi but found no housing available. So NFHA focused its testing in five nearby states where so many of the evacuees were trying to relocate: Alabama, Georgia, Florida, Tennessee and Texas. Testing was conducted over the telephone using linguistic profiling controls. Several testers were actual people who had to evacuate because of Hurricane Katrina. The testers identified themselves as Katrina relocatees in their conversation with the apartment manager and also indicated that they were relocating to a city because of new employment or a transfer by their current employer. The tests were primarily conducted with African American and White tester teams; however, Latino and White tester teams were also used in Texas.

NFHA measured what the apartment seekers were told about unit availability (number of units and dates of availability), security deposit, rental rates, discounts for evacuees, and other terms and conditions of apartment leasing. In 66 percent of these tests – 43 of 65 instances – White callers were favored over African-American callers. This is an extremely high rate of discrimination. In several tests, NFHA found slight differences in information provided to the testers and decided to conduct on-site testing at five apartment complexes where the telephone tests alone were not conclusive. African American and White testers were flown to the cities and conducted in-person tests. In three of those five tests, or 60%, the African-Americans experienced discrimination. NFHA inserted a national origin (Latino) tester into the Texas

investigation and found fair housing violations as well. (See full report attached – *No Home for the Holidays: Report on Discrimination Against Hurricane Katrina Survivors.*)

Because of the high levels of discrimination uncovered between September and December 2005, NFHA decided to divert additional resources and continue Katrina-based rental testing. We are currently testing in three more states, and the initial review of the telephone tests in two of those states shows high rates of race discrimination. We are conducting follow-up, in-person tests at several apartment complexes.

Enforcement Actions: In December, NFHA released the results of these tests to the media and announced the filing of five administrative complaints with the United States Department of Housing and Urban Development (HUD) against apartment complexes located in Birmingham, AL, Gainesville, FL, and Dallas, TX. With the pending FEMA action to evict evacuees from hotels, NFHA's first goal is to alert apartment seekers about their fair housing rights as well as to put apartment managers and owners on notice that testing is underway and housing discrimination is a violation of federal law. NFHA's second goal is to utilize the HUD fair housing complaint process to hold accountable the housing providers who have discriminated on the basis of race and national origin. The third goal is to increase housing opportunities for everyone protected by the federal law and open up markets closed to people of color, families with children, immigrant families and people with disabilities.

Assistance to Fair Housing Agencies in the Gulf Coast: In addition to its testing efforts, NFHA is also working with its member fair housing groups in the Gulf Coast region to re-staff, rebuild and expand their capacity to help homeowners and others affected by the hurricanes. Our hurricane relief project, described in more detail below, focuses on fair lending and insurance issues that homeowners are facing as they attempt to repair or rebuild their homes. HUD's Office of Fair Housing and Equal Opportunity extended NFHA's contract with the Gulfport/Biloxi Fair Housing Center and provided funds to the Greater New Orleans Fair Housing Action Center through the state civil rights agency. In the immediate aftermath of the hurricanes, Fannie Mae donated funds to both fair housing centers. NFHA's membership donated \$30,000 to help pay staff at the two centers.

#### **OVERVIEW OF THE INVESTIGATION**

The waters have receded from the Gulf Coast in the aftermath of Hurricanes Katrina and Rita. The images of those fleeing New Orleans and those left behind during the hurricane reflected a significant and struggling African-American community. The media images provided graphic evidence of the destructive effects of residential segregation in the United States.

Illegal housing, lending and insurance discrimination and residential steering based on race and national origin created the housing segregation in New Orleans, the Gulf Coast and most other communities throughout the United States. In order to ascertain whether or not those forced to relocate because of the hurricanes would experience discrimination, NFHA conducted testing of rental housing providers in seventeen cities. Housing discrimination based upon race, color,

religion, sex, national origin, disability or familial status is illegal.<sup>1</sup> NFHA's investigation into rental housing practices following the hurricanes documented violations of the federal Fair Housing Act in five states to which many hurricane victims fled: Alabama, Georgia, Florida, Tennessee and Texas. Out of 65 tests of rental housing providers, African-Americans experienced discrimination in 43, or 66 percent, of the transactions. NFHA is currently conducting further testing to ascertain treatment of displaced people based on race, national origin, disability and family status.

In these tests, both testers explained that they were relocating because of Hurricane Katrina and that they were employed. The African American and White callers asked for the same size apartment and had the same number of people in their family, but the African American tester made more money than the White tester. In 43 of the 65 tests, Whites were given truthful information about the availability of units or the terms and conditions for securing an apartment. In contrast, information was withheld from or provided differently to their African-American counterparts. Many types of differential treatment were detected in the tests, but most fell into the following categories:

- Failure to tell African-Americans about available apartments;
- Failure to return telephone messages left by African Americans, but calls returned to Whites;
- Failure to provide information to African-American testers;
- Quoting higher rent prices or security deposits to African-American testers; and
- Offering special inducements or discounts to White renters.

To counteract these widespread findings of race discrimination against Hurricane Katrina survivors, NFHA has filed complaints alleging violations of the federal Fair Housing Act with the U.S. Department of Housing and Urban Development against five apartment complexes. More complaints based on the test results will be filed in the near future.

#### **HURRICANE RELIEF PROJECT**

As you may know, NFHA has extensive experience working with mortgage lenders and insurance companies. Most of our insurance relationships have resulted from successful HUD conciliations with State Farm and Allstate and successful litigation and settlements with Liberty Mutual, Travelers/Aetna, Prudential and others. NFHA provides fair lending consulting services to several lenders and mortgage servicers. Some of these corporations have stepped forward to assist NFHA by providing funding for NFHA's hurricane relief project.

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<sup>1</sup> Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act), as amended by the Fair Housing Amendments Act of 1988, (42 U.S.C. § 3601 et. seq) prohibits discrimination in housing and housing related transactions based on race, color, religion, sex, national origin, disability or familial status. Its legislative history is entwined with the national experience of urban riots and civil unrest, and its passage was expedited in response to the assassination of Dr. Martin Luther King, Jr. and the release of the Kerner Commission Report that concluded that America was "moving toward two societies, one black, one white — separate and unequal." In enacting the Fair Housing Act, Congress' purpose was "to provide, within constitutional limitations, for fair housing throughout the United States." 42 U.S.C. § 3601 (2004). The ultimate purpose of the FHA was to create "truly integrated and balanced living patterns." 114 Cong. Rec. 3422 (1968).

NFHA is working with its member fair housing organizations in the Gulf Coast region to re-staff, rebuild and expand their capacity to help homeowners affected by the hurricanes. It will be critical to identify and challenge predatory lending schemes, home repair scams and insurance redlining practices as the Gulf Coast is rebuilt. NFHA and its local members will focus on fair housing questions or concerns that homeowners may have about their mortgages, their property/casualty insurance or their building/repair contractors. The funds we have raised will provide full time staff support at each fair housing center to help address lending and insurance issues. We are also providing support to our member groups' efforts to make sure that fair housing and residential integration are an integral part of rebuilding plans for Gulf Coast communities. We are pleased to have the financial support of a number of lender, insurance and philanthropic partners for this project and will be happy to report back to you in the future about the problems and concerns that our members encounter.

#### **RAMIFICATIONS OF HOUSING DISCRIMINATION ON KATRINA SURVIVORS**

Under normal market conditions, HUD-funded studies and rental audits by private non-profit fair housing agencies have documented high levels of discrimination against African-Americans, Latinos, Asian-Americans and people with disabilities. Given the devastating images of New Orleans and the Gulf Coast, NFHA is concerned that hurricane survivors who fall within these protected groups will face even higher levels of discrimination.

What is happening now in the face of the current crisis?

- What would be the impact of almost one million displaced households on the housing market nationwide?
- How many people of color, families with children, single female-headed households, and individuals with disabilities will experience discrimination as they search for new housing in the rental and real estate sales markets?
- How many renters and homeowners will experience discrimination when filing a claim with their insurance company?
- How many people will become victims of predatory lenders as they seek to obtain financing to repair or replace their homes?
- How much worse is the level of discrimination in housing markets inundated with those forced to evacuate the Gulf Coast areas?

There are an estimated 25,000 evacuees still located in hotel rooms paid for by the Federal Emergency Management Agency (FEMA),<sup>2</sup> but they will be evicted shortly. In addition to evacuees known to be in hotel rooms, an untold number of people are staying with friends and family or living in cars, tents or damaged homes. All are in need of housing, and a large number of them are African-American. As this population seeks a more permanent housing solution and contacts any number of housing providers, a sixty-six percent rate of discrimination could translate into hundreds of thousands of acts of discrimination against Katrina survivors.

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<sup>2</sup> Mississippi Housing Development Authority, "Hurricane Katrina Homeowner's Assistance Grant." February 6, 2006.

### FEDERAL, STATE, AND LOCAL GOVERNMENT PARTICIPATION

This is the most massive displacement of population this country has ever experienced. The people displaced by Hurricane Katrina face myriad problems, but finding a place to live for the immediate future and making decisions about long-term housing are among their most critical needs. Given a housing problem of this scope, it is imperative to apply the federal government's best housing expertise. HUD should be called upon to play an active role in the rebuilding of these devastated areas. Further, this situation has considerable racial dimensions, as highlighted by the news coverage in the immediate aftermath of Katrina's landfall and underscored by the results of NFHA's testing. This makes it equally imperative that fair housing be made a central component of all hurricane assistance and all rebuilding efforts.

**HUD-FHEO:** All federal, state, and local governments involved in the rebuilding efforts along the Coast must make fair housing a component of all housing, lending or grant programs. When it comes to housing, FEMA and the SBA have been out in front, making decisions of great impact. HUD, instead, should be called on to play more of a role.

With regard to housing discrimination, HUD's Office of Fair Housing and Equal Opportunity (FHEO) should utilize the intergovernmental cooperation agreement signed in the 1980s to make all federal agencies accountable to fair housing laws and regulations. FHEO should play a leading role in housing with FEMA. FHEO has already created and distributed brochures and a TV and radio media campaign to alert displaced persons about their fair housing rights. FHEO has also channeled some of its limited funds directly to private non-profit fair housing agencies to help people combat housing discrimination and to open all neighborhoods to displaced families. FEMA staff and volunteers should undergo fair housing training in order to make appropriate referrals to HUD in the event a relocater informs a FEMA employee/volunteer about trouble finding housing.

**FHEO Funding:** FHEO should be given additional funding in the supplemental appropriations process as well as the annual appropriations process in order to be able to assist more organizations, individuals, and families. Using the limited Fair Housing Initiatives Program (FHIP) funds to target the Gulf Coast will reduce funding nationwide to fight housing discrimination. Many evacuees live outside of the Gulf Coast region, and the other fair housing groups have to address the needs of evacuees as well as their regular complaint load. Clearly, Congress should provide FHEO with additional discretionary funds for the fair housing centers to target the Gulf Coast fair housing issues and provide additional funds for FHEO investigators to be able to conduct on-site investigations of complaints nationwide. Additional funds under FHIP in the amount of \$5 million will go a long way to support enforcement in the gulf region and in states where many evacuees are temporarily residing.

**CDBG:** \$11.5 billion dollars were appropriated to the Gulf Coast in Community Development Block Grant (CDBG) funds. These funds are sorely needed and will be a great help to the recovery effort. It is important to remember that, by federal statute, all states and municipalities receiving these funds must affirmatively further fair housing. CDBG recipients are legally obligated to work to end racial segregation and provide equal housing opportunities for

everyone. HUD's Office of Community Planning and Development (CPD) should be certain that recipients set aside a percentage of the CDBG funds for fair housing education and enforcement, and CPD should make it clear that fair housing activities need not be limited to the administrative expenditure but can also fall under program expenditures. FHEO and CPD should issue a joint letter to all CDBG recipients explaining the recipient's obligation to "affirmatively further fair housing" and offering suggestions on how the recipient can comply with that obligation.

Congress has shown a dedication to fair housing by stating in the statute that fair housing laws and regulations may not be waived in the use of the emergency CDBG funds. Unfortunately, the statute also requires that only up to 50% of the funds benefit low and moderate income people, much lower than the 70% required under the existing CDBG program. The law also states that the HUD Secretary has the discretion to waive even this low standard. We hope that Congress will work to see that this does not happen.

#### **OTHER HOUSING CONCERN**

I would also like to address a few other housing concerns: the upcoming end to the moratorium on mortgage payments; using independent or public insurance adjusters; and assisting families with insurance issues.

End to mortgage moratorium: The moratorium on mortgage payments is ending in February. Fannie Mae and Freddie Mac should issue guidance on how lenders should proceed post-moratorium, giving homeowners maximum flexibility to develop repayment plans that take into account their current financial situations and the status of political decisions about the rebuilding process. The goal should be to make it possible for people to rebuild and return, regardless of their race, ethnicity, disability or income level. Further, government agencies with supervisory authority over lenders should issue similar guidance, including the federal banking regulatory agencies, HUD, the Veterans Administration, and the Rural Housing Service. Guidance should also be provided to lenders in the subprime market who fall outside the regulatory authority or scope of business of these agencies.

Independent adjusters: Congress should require that independent adjusters be used to evaluate damage assessments and insurance settlements in cases where both flood and other damage occurred. Reports from the field indicate that insurance company adjusters are often settling both types of claims, creating an inherent conflict of interest. The insurance company sells flood insurance for the federal government and sells homeowners policies under its brand name. The same company also settles claims under each policy. This creates a conflict of interest. The adjuster can push the higher costs to flood coverage and lower the amount the insurance company must pay from its reserves.

Independent Assessment Group: Weather forecasters create computer models to predict when and where a hurricane or serious thunderstorm will hit. Tornado paths and wind force can be predicted and calculated. NFHA suggests that Congress work with the National Academy of Sciences or another professional organization to create a software program capable of taking the data following a natural disaster to estimate the causation of damage to property in the path of

hurricanes, tornados or thunderstorms. It may be possible to model damage causation for earth quakes as well. For example, scientists could look at weather data and determine if roofs were blown off from the force of wind, and whether further damage followed because of rain or flooding or both. By providing a professional scientific assessment of what caused the damage—wind, rain, flood—a homeowner can work with an insurer to apportion what cost the insurer will cover based upon the policy. This is a very preliminary sketch for a computer damage assessment modeling program, but the concept could address fairness in paying claims, limit class action complaints because homeowners would have independent scientific information to calculate damage, eliminate the conflict of interest of using company adjusters, and reduce claims that public adjusters work for class action lawyers.

Future of Insurance in Designated Catastrophic Areas: Experience with past large scale natural disasters suggests that, down the road, there may be significant problems with insurance availability and affordability. Property owners may find their insurance policies cancelled or non-renewed, and companies have already begun filing for rate increases. Questions have also begun to be raised about the availability, cost, and eligibility requirements for flood insurance coverage. All of these issues will fall most heavily on the shoulders of people of modest means, and unless addressed, may jeopardize their ability to return to or remain in the Gulf Coast area. Congress can play a useful role in monitoring these developments and helping to devise solutions.

#### RECOMMENDATIONS

In order to address and combat discrimination against people attempting to find housing in the wake of the hurricanes, NFHA makes the following recommendations. Hurricanes are non-partisan; Congress should work to find a bipartisan solution that is beneficial to *all* hurricane evacuees and that follows the federal Fair Housing Act and other civil rights laws.

1. As all Gulf Coast cities and counties rebuild and create housing opportunities, they must make fair housing a basic component of each program. The redevelopment of communities that are integrated in terms of race, national origin, and economic class must be a priority. Indeed, the Fair Housing Act regulations approved in 1988 state that:

“It shall be unlawful because of race, color....to restrict or attempt to restrict the choices of a person by word or conduct in connection with seeking, negotiating for, buying or renting a dwelling so as to perpetuate or tend to perpetuate segregated housing patterns or to discourage or obstruct choices in a community, neighborhood or development.” (§100.70)

2. Local fair housing organizations in Louisiana and Mississippi should receive discretionary funding from HUD, CDBG recipients and other entities for their education and enforcement programs. FHIP funds should be maintained for general fair housing education and enforcement. HUD discretionary funds and other non-FHIP resources should also be made available to fair housing organizations in other communities to which significant numbers of people displaced by the hurricanes have relocated, such as Birmingham and Mobile, Alabama, and Houston, Texas.

3. Federal, state and local government officials must strongly and publicly condemn housing discrimination and make fair housing a priority in appropriate program activities.
  - FEMA must make fair housing a component of the relief it is offering. Its trailer parks must not perpetuate residential segregation. FEMA is not exempt from federal, state or local fair housing laws. Housing for people with physical disabilities must be available. The FEMA trailers are not accessible. FEMA staff should be trained to recognize and refer people who experience housing discrimination to HUD and local fair housing agencies.
  - Municipalities that receive Community Development Block Grant funds are required to affirmatively further fair housing. HUD's Office of Community Development and Planning (CPD) and FHEO should send a directive to all CDBG recipients explaining this requirement and offering suggestions for complying by providing funding for both fair housing education and enforcement activities. CPD should explain that fair housing activities can come from the program and/or administrative categories.
  - CDBG Communities: CPD requires each CDBG recipient to conduct an Analysis of Impediments to Fair Housing and fund programs to remove those impediments. CPD and FHEO should target communities where large numbers of evacuees are residing and evaluate the fair housing programs being implemented to address housing discrimination issues identified in the analysis and insure these CDBG recipients are implementing program to help evacuees.
  - HUD should use discretionary funds for two targeted enforcement investigations: national rental enforcement testing project to uncover the nature and extent of housing discrimination against people displaced by the recent hurricanes and a second national enforcement project to identify predatory lending and repair/rebuilding schemes for homeowners in the Gulf Coast region.
  - As part of settlements with apartment complexes that have violated federal or state fair housing laws, FHEO should include in the conciliation agreements a set-aside of apartments for hurricane victims at below market rates, a requirement to accept Section 8 certificate holders who otherwise meet the application requirements, and funds to support a local radio and print advertising campaign using HUD public service announcements to promote compliance with the Fair Housing Act. HUD can make this part of the agreement it has with state and local agencies deemed FHAP agencies.
  - FHEO should target national media under FHIP to promote compliance with fair housing laws and educate consumers about their right to secure housing, homeowners insurance and mortgage loans and home repairs free from discrimination.
4. The Red Cross, United Way and other charitable organizations must ensure that their programs are administered without regard to race, religion, national origin, etc. These charities are not exempt from federal and local fair housing laws. The housing placement offered must not perpetuate segregation. Congress should seek accountability from the charities on how funds were spent.
5. Congress should explore creating a group of scientists to provide independent assessments of causation of property damage in natural disasters.

6. Fannie Mae and Freddie Mac, federal government agencies with mortgage lending programs, and the federal banking regulatory agencies should issue guidance on how lenders should proceed post-moratorium.

#### **CONCLUSION**

The aftermath of Hurricane Katrina demonstrated the devastating impact of social, racial and economic segregation on communities of color. The legacy of segregated neighborhoods continues to this day, where neighborhoods are redlined into zones bereft of economic activity, city and government services are nominal, businesses and grocery stores are few, and property values are stagnant. Segregation exacerbates economic disparities between Whites and people of color, reinforces institutionalized racism within the housing industry and entrenches attitudes about where people of certain races and ethnicities should live. Whites living in segregated communities lose the benefits of multi-cultural and multi-racial associations that the U.S. Supreme Court said are vital to people in its 1972 Fair Housing Act decision in Trafficante v. Metropolitan Life Insurance, Park Merced Apartments.

Professor Craig Colten of Louisiana State University attributes New Orleans' segregated communities, and the subsequent disproportionate suffering of impoverished African Americans, to the legacy of racial inequality and its parallel economic class divisions. Because only those with the highest incomes could afford to live in safer, more attractive areas, the neighborhoods with the fewest services were left to those with the least means. The resulting drain on the tax base left an overall infrastructure weakened and city administrators unable to plan effectively for their citizens.<sup>3</sup>

The destruction wrought by Hurricane Katrina illuminated the hazards of both racial and economic segregation in our communities and the crucial responsibility that the housing industry has in ensuring equal treatment and promoting integrated neighborhoods. Not only do integrated neighborhoods create a more diverse community and reduce the concentration of poverty in a city, they also sustain better schools, more amenities, a healthy infrastructure, a stronger tax base and a broader mix of businesses. Neighborhood integration provides everyone with the opportunity to have multi-cultural and multi-racial associations.

1,330 people lost their lives as a result of Hurricane Katrina. It also displaced millions of residents, flooded 80 percent of New Orleans and caused \$96 billion in damage. In September, FEMA estimated that 300,000 families were homeless and that 200,000 of them would require government housing as a result of Hurricane Katrina. In addition, surveys of evacuees in Houston indicated that two-thirds did not have available credit or insurance, most family incomes were less than \$20,000 and half had children under 18.<sup>4</sup>

In areas affected by Katrina and throughout the country, it is crucial for federal, state and local agencies to ensure that the federal Fair Housing Act is upheld for all residents in the process of securing safe and decent housing. Additional funding must be made available to promote

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<sup>3</sup> National Public Radio, *Professor Craig Colten on Race, Poverty and Katrina*, September 2, 2005.

<sup>4</sup> "Housing the Displaced is Rife with Delays," *The Washington Post*, September 23, 2005.

compliance with fair housing laws and educate consumers about their right to secure housing, homeowners insurance and mortgage loans free from discrimination. It also falls upon the housing and real estate industries to support and advance integration in our neighborhoods so that all citizens can gain equal access to wealth, stability and reliance on our country's social safety net.



**No Home for the Holidays:  
Report on Housing Discrimination Against  
Hurricane Katrina Survivors**

**December 20, 2005**

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## REPORT ON HOUSING DISCRIMINATION AGAINST HURRICANE KATRINA SURVIVORS

### EXECUTIVE SUMMARY

The National Fair Housing Alliance (NFHA) is the only national civil rights organization focused solely on eliminating housing discrimination and promoting residential integration. Based in Washington, D.C., NFHA was founded in 1988 and is a consortium of more than 220 private, non-profit fair housing organizations, state and local civil rights agencies, and individuals from throughout the United States. NFHA works to educate the public and the housing industry about their rights and obligations under fair housing laws, and it conducts investigations into discriminatory rental, real estate, mortgage lending and homeowners insurance practices throughout the nation.

In response to concerns of housing discrimination against persons forced to evacuate because of Hurricane Katrina, NFHA conducted an investigation of rental housing practices in five states to determine whether victims of Hurricane Katrina would be treated unfairly based on their race. We conducted tests over the telephone to determine what both African-American and White home seekers were told about unit availability, rent, discounts, and other terms and conditions of apartment leasing. In 66 percent of these tests – 43 of 65 instances – White callers were favored over African-American callers. We also conducted five matched pair tests in which persons visited apartment complexes. In those five tests, Whites were favored over African-Americans three times.

Several of these tests revealed egregious types of discrimination, and NFHA has filed administrative complaints with the United States Department of Housing and Urban Development (HUD) against five apartment complexes. NFHA's first goal in taking this action is to remind both apartment seekers and housing providers that housing discrimination is illegal. NFHA's second goal is to hold accountable the housing providers who have discriminated on the basis of race and national origin.

### OVERVIEW OF THE INVESTIGATION

The waters have receded from the Gulf Coast in the aftermath of Hurricane Katrina. The images of those fleeing New Orleans and those left behind during the hurricane reflected a significant and struggling African-American community. The media images provided graphic evidence of the destructive effects of residential segregation in the United States.

Illegal housing discrimination and residential steering based on race created the segregation in New Orleans, the Gulf Coast and most other communities

throughout the United States. In order to ascertain whether or not even those forced to relocate because of the hurricanes would experience discrimination, NFHA conducted testing of rental housing providers in several communities. Although housing discrimination based upon race, color, religion, sex, national origin, disability or familial status is illegal,<sup>1</sup> NFHA's investigation into housing practices following the hurricanes documented violations of the federal Fair Housing Act in several states to which many hurricane victims fled: Alabama, Georgia, Florida, Tennessee and Texas. Out of 65 tests of rental housing providers, African-Americans experienced discrimination in 43, or 66 percent, of the transactions. NFHA will conduct further testing in 2006 to ascertain treatment of displaced people based on national origin, disability and family status.

To counteract these widespread findings of race discrimination against Hurricane Katrina survivors, NFHA has filed complaints alleging violations of the federal Fair Housing Act with the U.S. Department of Housing and Urban Development against five apartment complexes. These are the complexes at which the most egregious instances of differential treatment occurred.

#### **SUMMARY OF FINDINGS**

From mid-September through mid-December, 2005, NFHA conducted telephone tests of rental housing providers in seventeen cities in five states, as follows:

Alabama: Birmingham, Mobile, Huntsville and Montgomery  
 Florida: Gainesville, Tallahassee and Pensacola  
 Georgia: Atlanta, Columbus, Macon and Savannah  
 Tennessee: Nashville, Chattanooga and Memphis  
 Texas: Houston, Dallas and Waco

NFHA conducted 65 tests in five states, all with two White callers and one African-American caller. In 43 of these tests, White testers were favored over African-American testers. With limited resources and a short time-frame, NFHA was able to conduct five in-person tests at apartment complexes for which we had identified differential treatment on the initial phone test. These in-person tests were matched pair tests with one White tester and one African-American

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<sup>1</sup> Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act), as amended by the Fair Housing Amendments Act of 1988, (42 U.S.C. § 3601 et. seq) prohibits discrimination in housing and housing related transactions based on race, color, religion, sex, national origin, disability or familial status. Its legislative history is entwined with the national experience of urban riots and civil unrest, and its passage was expedited in response to the assassination of Dr. Martin Luther King, Jr. and the release of the Kerner Commission Report that concluded that America was "moving toward two societies, one black, one white — separate and unequal." In enacting the Fair Housing Act, Congress' purpose was "to provide, within constitutional limitations, for fair housing throughout the United States." 42 U.S.C. § 3601 (2004). The ultimate purpose of the FHA was to create "truly integrated and balanced living patterns." 114 Cong. Rec. 3422 (1968).

tester. In these site visit tests, differential treatment that favored White testers was detected in three of the five tests, or 60 percent.

**Types of Differential Treatment**

In many tests, White testers were given truthful information about the availability of units or the terms and conditions for securing an apartment, while that information was withheld from or provided differently to their African-American counterparts. Many types of differential treatment were detected in the tests, but most fell into the following categories:

***Failure to tell African-Americans about available apartments.*** White callers were told that one or more apartments were available while African-American callers were told that nothing was available. For example: in Gainesville, two white callers to one complex were told that two apartments were available, while an African-American caller was told that all apartments were currently taken and that management was only taking names for a waiting list. In Pensacola, two white testers were told that one or more apartments were available, while the African American caller was told there was nothing available

***Failure to return telephone messages left by African Americans.*** Testers were instructed to leave voice mail messages when no one answered the phone. In several tests, rental agents failed to return messages left by African-American testers. At a complex in Waco, both white testers spoke with an agent and were given information about available apartments. The African-American tester left three phone messages but never received a return phone call. A third White tester who left a message after office hours had her call returned within 12 hours.

***Failure to provide information to African-American testers.*** Managers volunteered more information to White callers about the number of units available, dates of availability, rental price ranges and security deposit requirements. For example, at one apartment complex on the same day, both White callers were given a range of rental prices and unit availability. In contrast, the African-American was told that the computer was down and the agent would have to call her back with rental price information. The agent never called the tester back.

***Quoting higher rent prices or security deposits to African-American testers.*** In many tests in several locations, African-American callers were told the rent or security deposit for a unit would be higher than the rate quoted to White callers for the same or a similar unit. In Birmingham, a White tester was told that a \$150 security deposit and \$25 per adult application fee would be waived for her as a Hurricane Katrina victim. She

was also told that she needed to make 2.5 times the rent to qualify for the apartment. The African-American tester was told that she would have to pay \$150 for the security deposit and a \$25 application fee for each applicant. The African-American hurricane survivor was also told that she would have to make 3 times the rent to qualify for the apartment.

***Offering special inducements or discounts to White renters.*** White testers were provided with a number of discounts or special inducements, while their African-American counterparts were not. For example, in Dallas, both White testers were told that if they rented at a particular complex, they would receive a free 26 inch LCD television. The African-American tester was not told about the free television but was told that she would have to pay a \$500 security deposit plus a \$500 administration fee (non-refundable). One White tester was told that the administration fee was \$400, plus a \$100 refundable security deposit. A second White tester was told that, if she leased within 48 hours, the security deposit would be \$500 with \$100 refundable. The agent offered to fax or overnight an application to the White tester and asked if he should take the apartment off the market for her.

#### The Ramifications of Housing Discrimination on Katrina Survivors

Under normal market conditions, studies have documented high levels of discrimination against African-Americans, Latinos, and Asian-Americans. Given the devastating images of New Orleans and the Gulf Coast, NFHA is concerned that hurricane survivors face even higher levels of discrimination.

What is happening now in the face of the current crisis? What would be the impact of almost one million displaced households on the housing market nationwide? How many people of color, families with children, single female-headed households, and individuals with disabilities will experience discrimination as they search for new housing in the rental and real estate sales markets? How many renters and homeowners will experience discrimination when filing a claim with their insurance company? How many people will become victims of predatory lenders as they seek to obtain financing to repair or replace their homes? How much worse is the level of discrimination in housing markets inundated with those forced to evacuate the Gulf Coast areas?

There are an estimated 125,000 evacuees still located in hotel rooms paid for by the Federal Emergency Management Agency (FEMA). Of these, approximately 85,000 applications for FEMA rental assistance are as yet undecided.<sup>2</sup> In addition to evacuees known to be in hotel rooms, an untold number of people are

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<sup>2</sup> Hsu, Spencer S., "FEMA Ordered to Extend Hotel Stays," *The Washington Post*, December 13, 2005, p. A1.

staying with friends and family or living in cars, tents or damaged homes.<sup>3</sup> All are in need of housing, and a large number of them are African-American. As this population seeks a more permanent housing solution and contacts any number of housing providers, a sixty-six percent rate of discrimination could translate into hundreds of thousands of acts of discrimination against Katrina survivors. Fair housing must become a component of all housing programs, and FEMA must make particular efforts to ensure the persons it assists do not experience housing discrimination.

One of NFHA's staff members has attempted to contact the Washington, DC, office of FEMA on three occasions in order to ascertain what FEMA's policy is on housing discrimination as it relates to persons evacuated because of the hurricanes. She explained that she was calling on behalf of NFHA and that NFHA had concerns regarding the potential for discrimination by housing providers who might be contacted by displaced persons. The first time she called, she was told by a woman who answered the phone that her call would be returned; it was not. She second time she called, she was asked what fair housing was and was told that she had called the wrong agency. The third time she called, she was told that FEMA doesn't deal with "fringe organizations" and the person with whom she was speaking hung up the phone.

HUD's Office of Fair Housing and Equal Opportunity has a role to play as well. While brochures and media campaigns are underway to alert displaced persons about their fair housing rights, FHEO needs to channel funds directly to private non-profit fair housing agencies to help people combat housing discrimination and to open all neighborhoods to displaced families.

#### **HOUSING DISCRIMINATION IN THE LARGER CONTEXT**

Recent research by the United States Department of Housing and Urban Development (Housing Discrimination Study 2000, Phases One, Two, and Three) has documented significant levels of discrimination against African-Americans, Latinos, Native Americans, Asian Americans, and Pacific Islanders.<sup>4</sup> There is no comparable national data for persons with disabilities, yet this group files the highest number of complaints with HUD each year and a recent small scale study of housing discrimination based on disability documented significant levels of unfair treatment.<sup>5</sup> Whether or not the discrimination is blatant, done

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<sup>3</sup> Sanders, Kerry, "Thousands Still Waiting for FEMA Trailers," *NBC Nightly News*, December 10, 2005, available at <http://www.msnbc.msn.com/id/10399646/>.

<sup>4</sup> *Discrimination in Metropolitan Housing Markets, National Results from Phase 1, Phase 2, and Phase 3 of the Housing Discrimination Study*, Urban Institute 2002-2003) available at <http://www.huduser.org/publications>.

<sup>5</sup> *Discrimination Against Persons With Disabilities: Barriers at Every Step*, Urban Institute, 2005, available at <http://www.huduser.org/publications>.

with a "we don't want you people here" attitude, or done politely through more subtle differences in treatment, housing discrimination is a fact of life for large numbers of people in our society. A recent study commissioned by NFHA found that race and national origin discrimination in the rental/real estate sales housing market occurs more than an estimated 3.7 million times a year. These results are based on data produced by HUD's Housing Discrimination Study 2000 (HDS 2000).<sup>6</sup>

Studies by social scientists and others echo these findings. A 1995 study by John Yinger found that the cumulative likelihood of experiencing some form of racial discrimination in U.S. rental markets was 53 percent.<sup>7</sup> The HDS 2000, which NFHA believes significantly undercounted the incidence of housing discrimination, found that whites were favored over African Americans in rental housing transactions 20.6 percent of the time.<sup>8</sup> A study of the general public found that 14 percent of adults, the equivalent of more than 28 million people, said that they had experienced housing discrimination at some point in their lifetime.<sup>9</sup>

Even as a growing U.S. population becomes more diverse, our communities remain highly racially segregated, and segregation continues to extract a high price in economic and societal terms.

A recent study of 2000 U.S. census data indicates that of 69 metropolitan areas in which African Americans are a dominant minority, 64.8 percent of Whites live in neighborhoods that are exclusively White and 52.3 percent of Blacks live in neighborhoods that are majority Black. That is, in 69 key urban areas, more than two-thirds of Whites live in areas that have less than a 5 percent Black

<sup>6</sup> Simonson, John, *Report for the National Fair Housing Alliance on the Incidence of Housing Discrimination Based on HDS 2000*, Center for Applied Public Policy at the University of Wisconsin-Platteville. The HDS reported on the probability (using percentages) that discrimination would occur; NFHA's commissioned study reports instead on the number of instances of discrimination.

<sup>7</sup> Yinger, John, *Closed Doors, Opportunities Lost: The Continuing Costs of Housing Discrimination*. New York: Russell Sage Foundation (1995).

<sup>8</sup> NFHA believes that the Housing Discrimination Study significantly under counts housing discrimination. For example, this study:

- Excludes many smaller owner-occupied housing units which comprise a significant portion of the rental market;
- Fails to capture housing discrimination that occurs at the preliminary telephone contact stage (an increasingly frequent phenomenon in today's housing markets); and
- Fails to capture discrimination that occurs after an applicant submits an application for housing.

See also: Massey and Lundy, *Use of Black English and Racial Discrimination in Urban Housing Markets: New Methods and Findings*, Population Studies Center, University of Pennsylvania, June, 1998, available at <http://www.ksg.harvard.edu/inequality/Seminar/Papers/Massey.PDF>.

<sup>9</sup> *How Much Do We Know?*, United States Department of Housing and Urban Development, Office of Policy Research and Development, 2002, available at <http://www.huduser.org/Publications/pdf/hrnwk.pdf>

population. In these same communities, more than half of Blacks live in neighborhoods that are more than 50 percent Black.

A similar examination of suburban neighborhoods indicates that these neighborhoods are also likely to be exclusively White: 58 percent of the suburban neighborhoods examined were exclusively White, while only 21 percent of the urban neighborhoods were exclusively White. Only about one-third of the neighborhoods studied were considered to be mixed neighborhoods — those with significant populations of both Blacks and Whites.<sup>10</sup>

Douglas Massey, who has conducted extensive research on patterns of racial segregation, has noted that *America's large urban areas remain only slightly less segregated than South Africa during apartheid*. Today, 41 percent of Black Americans live in neighborhoods that are described as hyper-segregated, that is, in all Black high-density neighborhoods near other all-Black neighborhoods. Another 18 percent of African Americans also live in conditions of high segregation.

#### TESTING APPROACH AND METHODOLOGY

In order to understand and document the experiences of those seeking housing due to displacement by the hurricanes, NFHA conducted telephone tests of housing providers located in states to which we knew many people had fled. NFHA utilized "paired" and "sandwich" testing approaches to measure and document the types of discrimination occurring in these markets. Testing is a widely-accepted methodology that has been utilized for both enforcement and research purposes for decades.<sup>11</sup>

Fair housing testing is a controlled method for measuring and documenting differences in the quality, quantity and content of information and services offered or given to various home seekers by housing or housing service providers. For example, a paired test for racial discrimination in the rental context might involve sending both an African-American tester and a White tester to an apartment building, in the same general time frame, to inquire about the availability of the same or similar apartments for rent. The two testers are generally matched on their personal and home seeking characteristics so that the only significant difference is their race. A sandwich test is an expansion of a paired test. It involves the same general principles as a paired test, but adds a third tester. The third tester is matched with both the first two testers, differing only in race,

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<sup>10</sup> Rawlings, L., Harris, L., and Turner, Margery Austin, "Race and Residence: Prospects for Stable Neighborhood Integration," *Neighborhood Change in Urban America*, Urban Institute, March 2004.

<sup>11</sup> The use of fair housing testing evidence has uniformly been accepted by the courts, including the Supreme Court. See e.g. *Havens Realty Corp v. Coleman*, 455 U.S. 373-374 (1982).

national origin or other protected characteristic from one of the first two testers. Sandwich tests are particularly useful in situations in which the availability of a specific apartment or house is in question. For example, a White tester calls to inquire about an apartment and is told that there is a specific apartment available on a particular date. An African-American tester calls to inquire about the same apartment and is told the apartment is no longer available. A second White tester calls to inquire about the same apartment as the first two testers and is told that there is a specific apartment available on a particular date. Testers are generally matched on the type of housing sought, income, employment qualifications and credit standing, with the minority tester usually slightly more qualified than her white counterpart. Testers provide detailed reports and narratives of their contacts with the housing provider. Discrimination in the quality and quantity of information and services provided to testers can be evident in a comparison of the reports.

Almost all housing transactions these days begin with a phone call. Many people never even have an opportunity to see an apartment or house because some housing providers identify persons by race or ethnicity over the phone and refuse to do business with the callers. The methodology used in these tests incorporates this behavior of "linguistic profiling" and utilizes the research of linguistics expert John Baugh.<sup>12</sup> In this specific project, NFHA also utilized a number of testers from the south. Several of the testers are originally from New Orleans and have linguistic characteristics that are both racially and geographically identifiable.

#### **RECOMMENDATIONS**

In order to address and combat the high levels of discrimination against African-Americans attempting to find housing in the wake of the hurricanes, NFHA makes the following recommendations.

1. As all Gulf Coast cities and counties rebuild and create housing opportunities, they should make fair housing a basic component of each program. The redevelopment of communities that are integrated in terms of race, national origin, and economic class must be a priority.
2. Local fair housing organizations in Louisiana and Mississippi should receive additional funding from HUD and other entities for their education and enforcement programs.
3. Federal, state and local government officials must strongly and publicly condemn housing discrimination and make fair housing a priority in appropriate program activities.

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<sup>12</sup> See e.g. Baugh, John, "Perceptual and Phonetic Experiments on American English Dialect Identification," (with Thomas Purnell and William Idsardi). *Journal of Language and Social Psychology*, Vol. 18 No. 1, pp. 10-30 (1999).

4. FEMA must make fair housing a component of the relief it is offering. Its trailer parks must not perpetuate residential segregation. FEMA is not exempt from federal, state or local fair housing laws.
5. Municipalities that receive Community Development Block Grant funds are required to affirmatively further fair housing. They should utilize a portion of these funds to fund the education and enforcement programs of local fair housing organizations.
6. A fair housing education campaign, specific to victims of Katrina, should be developed and run in print and electronic media outlets. Resources should be allocated to address the needs of those who respond to the campaign.
7. HUD should be actively involved in funding local fair housing efforts and addressing fair housing concerns.
8. The Red Cross, United Way, and other charitable organizations must ensure that their programs are administered without regard to race, religion, national origin, etc. These charities are not exempt from federal and local fair housing laws. The housing placement offered must not perpetuate segregation.
9. HUD should fund a national enforcement testing project to uncover the nature and extent of housing discrimination against people displaced by the recent hurricanes and people rebuilding in the Gulf Coast region and to identify predatory lending and home repair schemes.

#### **CONCLUSION**

The aftermath of Hurricane Katrina demonstrated the devastating impact of social, racial and economic segregation on communities of color. The legacy of segregated neighborhoods continues to this day, where neighborhoods are redlined into zones bereft of economic activity, city and government services are nominal, businesses and grocery stores are few, and property values are stagnant. Segregation exacerbates economic disparities between Whites and people of color, reinforces institutionalized racism within the housing industry and entrenches attitudes about where people of certain races and ethnicities should live.

Professor Craig Colten of Louisiana State University attributes New Orleans' segregated communities, and the subsequent disproportionate suffering of impoverished African Americans, to the legacy of racial inequality and its parallel economic class divisions. Because only those with the highest incomes could afford to live in safer, more attractive areas, the neighborhoods with the fewest services were left to those with the least means. The resulting drain on the tax

base left an overall infrastructure weakened and city administrators unable to plan effectively for their citizens.<sup>13</sup>

The destruction wrought by Hurricane Katrina illuminated the hazards of both racial and economic segregation in our communities and the crucial responsibility that the housing industry has in ensuring equal treatment and promoting integrated neighborhoods. Not only do integrated neighborhoods create a more diverse community and reduce the concentration of poverty in a city, they also sustain better schools, more amenities, a healthy infrastructure, a stronger tax base and a broader mix of businesses. Neighborhood integration provides everyone with the opportunity to have multi-cultural and multi-racial associations.

In September, FEMA estimated that 300,000 families were homeless and that 200,000 of them would require government housing as a result of Hurricane Katrina. In addition, surveys of evacuees in Houston indicated that two-thirds did not have available credit or insurance, most family incomes were less than \$20,000 and half had children under 18. Despite housing units being made available in hotels, motels, cruise ships, rental units and military bases, of six hundred manufactured housing sites proposed at the time, only five percent had ready access to water, sewer, power and other essential services.<sup>14</sup>

In areas affected by Katrina and throughout the country, it is crucial for federal, state and local agencies to ensure that the federal Fair Housing Act is upheld for all residents in the process of securing safe and decent housing. Additional funding must be made available to promote compliance with fair housing laws and educate consumers about their right to secure housing, homeowners insurance and mortgage loans free from discrimination. It also falls upon the housing and real estate industries to support and advance integration in our neighborhoods so that all citizens can gain equal access to wealth, stability and reliance on our country's social safety net.

**Acknowledgements:** NFHA is deeply grateful to the testers who participated in this project. While it is impossible to individually name the testers in a public document, this project and its important findings and enforcement actions would not be possible without the professionalism exhibited by individual testers around the country. Testers provided detailed and objective accounts of encounters with housing providers for minimal reimbursement. Many of these testers were from New Orleans and the Gulf Coast area and were themselves displaced by Hurricane Katrina. In the midst of their own personal relocations and rebuilding, their time for this project is profoundly appreciated.

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<sup>13</sup> National Public Radio, *Professor Craig Colten on Race, Poverty and Katrina*, September 2, 2005.

<sup>14</sup> "Housing the Displaced is Rife with Delays," *The Washington Post*, September 23, 2005.

About The National Fair Housing Alliance

The National Fair Housing Alliance is the voice of fair housing. NFHA works to eliminate housing discrimination and to ensure equal housing opportunity for all people through leadership, education, outreach, membership services, public policy initiatives, advocacy and enforcement.

Through these programs, NFHA provides equal access to apartments, houses, mortgage loans and homeowners insurance policies for millions of people across the United States and in all neighborhoods throughout the nation.